TEXAS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS AND ECONOMIC CONDITIONS IN TEXAS

BUREAU OF BUSINESS RESEARCH
COLLEGE OF BUSINESS ADMINISTRATION
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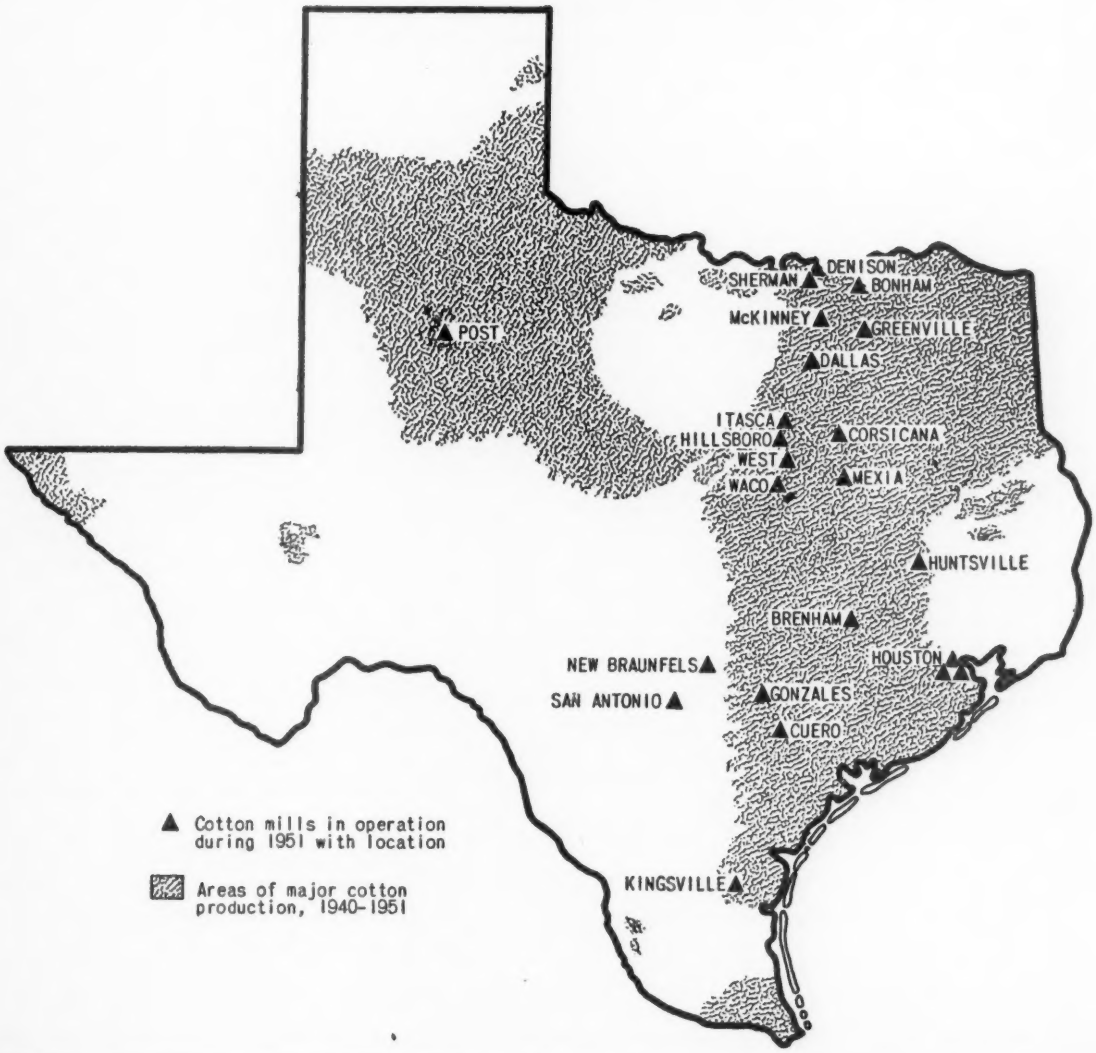
COTTON MILLING IN TEXAS, 1951

(See Notes on the Industrialization of Texas, page 16)



TWENTY CENTS A COPY TWO DOLLARS A YEAR

The Business Situation in Texas

After ending the year with a slight dip in December, Texas business moved up mildly in January. The index of business activity compiled by the Bureau of Business Research rose 2% from December to bring it to 260% of the 1935–39 base. This was approximately the same level of business attained in January 1951, when the index stood at 261. The January 1952 level of the index was higher than in any month in 1951 except January, although for eight months out of the year the index ranged between 250 and 260. The chart below shows that during January the index of business remained on the high level that has prevailed without much change since last fall. In other words, business activity in Texas on the whole was good although certain phases of business showed deviations from this general level. The following table gives the detailed data for the component series used in the index.

INDEX OF BUSINESS ACTIVITY IN TEXAS AND COMPONENT SERIES
(adjusted for seasonal variation)
1935–39 = 100

Indexes	Weight	Jan 1952	Dec 1951	Percent change
Index of Business Activity (Composite)	100.0	260	256	+ 6
Retail sales, adjusted for price changes	47.7	225‡	225	0
Industrial power consumption	14.8	510	507	+ 1
Crude oil runs to stills	4.5	209	193	+ 8
Electric power consumption	3.0	527	529	x
Miscellaneous freight carloadings	17.6	152	138	+ 10
Urban building permits, adjusted for price changes	3.8	164‡	126	+ 30
Crude petroleum production	8.6	221	231	— 4

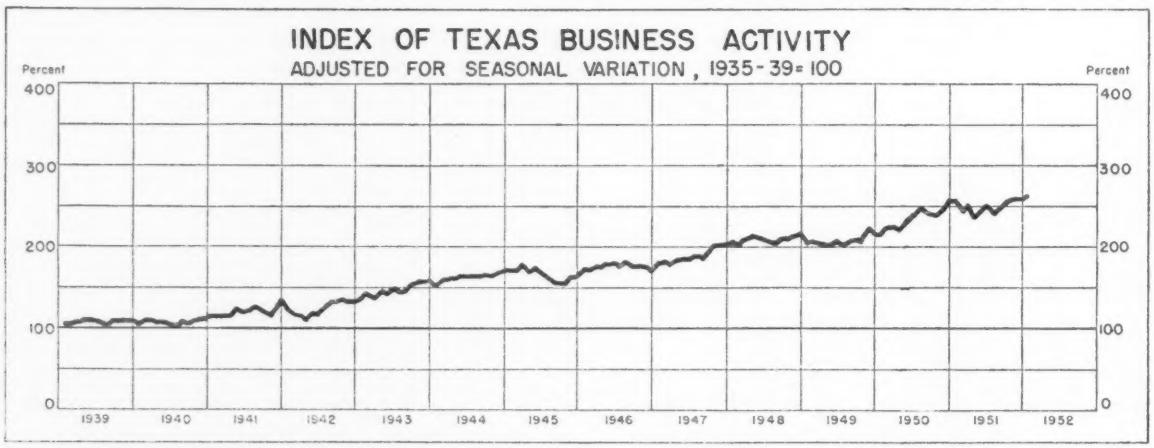
‡Preliminary.
xChange is less than one half of one percent.

The consumer expenditure segment of the composite index showed no change for January, remaining at the level of 225 registered in December. Before adjustment for price changes, the index of retail sales was 474, compared with 475 in December. However, sales of durable goods stores dropped 3% between December and January, and nondurable-goods stores rose 2%. The decline in sales of durable-goods stores resulted from declining sales of automobile dealers, with sales of all other types of durable-goods stores showing increases. News stories from various parts of the country have been reporting complaints of auto dealers on slow sales, and a number of dealers have blamed the lack of significant changes in the 1952 models for the apathy on the part of buyers. Used-car dealers have been reporting the same situation with prices below ceilings needed to move cars.

Although the level of retail sales in January was below the peaks of the two scare-buying waves following the outbreak of the war in Korea, most lines of business have shown only slight declines in recent months. In many parts of the United States, merchants are suffering from a reluctance of consumers to spend their money. The rising volume of savings is beginning to raise more and more questions. The reasons why consumers are not spending their money are probably numerous. First is the fact that the two buying sprees since June 1950 have filled many needs for some time to come. But also important is the fact that the expected rise in prices has not come, at least not to the extent expected, and once consumers are convinced that prices are not in immediate danger of running away there is the inevitable tendency to wait and see if they may not come down. Since many prices have declined, this course seems to be justified.

National data on savings by consumers indicate that income has been running considerably higher than expenditures, so it seems reasonable to assume that consumers do have money. The problem becomes one of selling, and some of the complaints of businessmen may result from the fact that aggressive selling has not been developed so well in the post-war years as earlier.

The Department of Commerce estimates that consumer saving was 10.1% of disposable income during the fourth quarter of 1951, and 8.3% of disposable income for the year 1951. This rate of savings has been equalled only during the war years when incomes were abnormally high and a scarcity of goods left consumers with little to buy. In using the data on savings it is wise to remember that the data are only estimates and are subject to a



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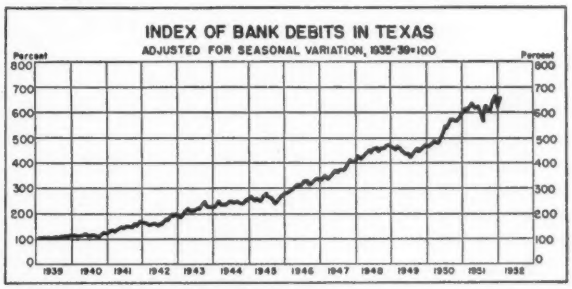
considerable amount of error. The technique of estimating savings relies on the estimates of disposable income, from which is subtracted an estimate of consumer spending. Since these two figures are estimated and may have a considerable amount of error in them, the difference between them, which is called the amount of savings, might be wrong to an even greater degree. An independent check on the savings as computed in this manner is found in the compilation of the Securities and Exchange Commission called "liquid" savings of individuals and unincorporated businesses. Liquid savings consist of individuals' holdings of currency, bank deposits, insurance, and securities. These data indicate the same trend in savings as the data compiled by the Department of Commerce and support the belief that consumers have money to spend when they can be convinced it is good business to do so.

Industrial activity in Texas continued to rise during January, carrying the Bureau's index of industrial electric power consumption from 507 to 510. A year ago this index stood at 399, which means that in a period of twelve months it rose 28%. During this period new industrial plants have begun production, and expansion of existing plants has been pushed. Thus 1952 has started off with this same trend that was so pronounced during 1951. The great importance of such products as aircraft, chemicals, and petroleum to the war effort seems to insure a continuation of the upward trend of industrial activity in Texas. Crude runs to stills increased 8% after adjustment for seasonal variation, while crude production declined 4%. However, increased allowables indicate that petroleum and its products will continue to add support to a high level of business activity during the coming year. Manufacturing employment was estimated by the Texas Employment Commission to be 411,500 in January, a decrease of 1% from December, but 9% above January 1951.

The building industry got off to a good start in January, with the Bureau's seasonally adjusted index bounding upward 30% from December, after declining almost continually during 1951. The same factors that have been pushing the index of industrial power consumption to new highs have been stimulating construction of factory buildings, and this type of building will probably continue to do well during 1952. While residential building has been cut back in many areas, Texas has enough military and essential industrial construction to maintain a substantial volume of activity in the industry. There is still a large backlog of demand for churches, schools, highways, and other public works that have no chance of being supplied until more materials are available.

The expansion of industrial capacity again in January represented the most dynamic aspect of business activity in Texas. The spurt in building during January reinforced the strong industrial expansion that has continued to hold the barometers of business activity at their present high positions. With consumer spending and residential building down from the levels of a year ago, the composite index of business would not be at its present high level unless some other phase of business had expanded. Investment of business concerns in plant, equipment, and buildings has supplied most of the expansion needed to keep the level of business operating at nearly full capacity. Reports for the first quarter of 1952 on plans for capital expenditures indicate that business throughout the United States plans to spend approximately 18% more for plant and equipment than in the first quarter of 1951. The last quarter of 1951 was also about 18% above the corresponding quarter of 1950, and the year 1951 set an all-time record for expenditures for plant, 15% above 1948, previously the record year. All the available evidence indicates that plant and equipment expansion in Texas is at a faster rate than for the rest of the country.

Wholesale prices continued their slow decline throughout January. For the week ending January 1 the wholesale commodity price index of the Bureau of Labor Statistics was 177.2, but by the last week in January it was 176.3. The all-time high of the price level was reached during the last two weeks of March 1951, when the weekly index stood at 183.9; since that time the trend has been slowly but steadily downward. Retail prices normally change direction later than wholesale prices, and the consumer price index continued to rise throughout 1951, turning down for the first time in January 1952. For Houston, the only Texas city for which it is compiled, it dropped 0.3% from December to January.



The index of bank debits in Texas rose 4% from December, after showing a rather sharp drop at the end of the year. The rise in January brought the index to a point 5% above January 1951, but still somewhat below the high point established in November 1951. The chart above shows the variations in bank debits, and traces the course of the changes in the total business situation in much the same manner as the index of Texas business activity shown graphically on the preceding page.

The impact of the shift from the production of civilian goods to the production of munitions seems to have slowed down business in Texas less than in other parts of the country. The shortages of materials have curtailed the output of certain types of durable consumer goods. Automobiles, household appliances, furniture, and building materials have been produced in the past month at a rate considerably below the peaks of last year. In some areas the cutback in civilian goods has not been followed immediately by increased munitions production, with the result that somewhat serious dislocations have resulted. Since Texas manufacturing industry has a relatively small amount of manufacturing devoted to the output of durable consumer goods, there has been little need for any changeover. Orders for munitions placed with Texas industries have generally represented additions to civilian business, rather than substitutions for the regular product of the industry.

JOHN R. STOCKTON

RETAIL TRADE

Many merchants appear reconciled to operating for several months in the shadows of the sales peaks that towered high in early 1951 during the second period of post-Korea scare buying. When compared with earlier years behind those peaks, current sales performance is recognized as creditable. There is a general optimistic feeling that business in the second quarter of 1952 will be highly satisfactory in volume, although profits may prove anemic.

Sales prospects. Sales in the Southwest fell below the national average during most of January but showed a promising upturn early in February. Valentine's Day sales received more than usual support this year, although traditional February furniture sales failed to produce normal response. Durable goods or hard lines continue slow. Textile markets have been dull, and buying current and reluctant. Retail sales and wholesale buying have continued to vary widely between sections and by commodities and price lines. Retailers and customers alike, still buying only to current needs, are highly price- and value-conscious. The late Easter is likely to postpone customers' fashion interest by three extra weeks this year. Customers' incomes will continue to rise, but so also may the high cost of living and the rate of siphoning-off through taxation. And the question remains: When may customers ease up in their unusually high rate of saving and become more free-spending?

Retail price movements. During January, retail prices continued their downtrend that began in August. According to the Fairchild Publications Retail Price Index, prices eased off 0.4% from December. They averaged 0.6% over the January 1951 level and 6.9% above July 1, 1950, but 1.1% below the 1951 high point. Recent price trends showed gains for men's apparel and infants' wear, while piece goods, women's apparel, and home furnishings registered drops. In view of recent weakness in wholesale prices and of inventories still adequate for all current needs, it appears that further small declines may result before potential inflationary forces gradually become more active.

Expense handling. High and rising expenses have compelled attention for months. Even after a year's efforts, inventories of retailers, wholesalers, and manufacturers remain bloated or unbalanced, despite strict limitations on buying commitments. Markdowns should be fewer this year and at lower percentages. Many apparently consider it better to spend their time and energy in developing sales volume than in ferreting out and cutting expense items. Popular-priced promotions have proved to be the most successful. Many have turned from merchandising of assortments and full lines to opportunistic item promotions, featuring "hit-and-run" numbers that attract current interest.

Inventories. Significant shortages in merchandise supply have not yet become evident. Merchants and customers alike seem unimpressed with threats of shortages developing from increasing limitations on the use of strategic materials for current production. With the shelves of his distributors loaded with embarrassingly large volumes of inventory, a prominent manufacturer of household appliances now warns that his production will be on allocation by midsummer. Buyers appear indifferent. They have often been reassured of the ability of our productive capacity to meet both military and civilian needs until the defense effort becomes much more demanding in its diversion of materials.

CREDIT RATIOS IN DEPARTMENT AND APPAREL STORES

(in percent)

Classification	Number of reporting stores	Credit ratios* Jan 1952	Credit ratios* Jan 1951	Collection ratios† Jan 1952	Collection ratios† Jan 1951
All stores	58	60.4	63.7	46.5	48.6
By cities					
Austin	7	61.0	61.7	48.5	52.4
Cleburne	3	44.1	39.8	46.5	45.3
Dallas	5	64.6	71.1	53.2	54.1
El Paso	3	53.8	55.8	38.4	38.4
Fort Worth	4	62.2	67.3	49.4	52.0
Galveston	5	58.7	61.7	51.4	50.2
Houston	3	70.6	67.0	50.5	49.1
San Antonio	3	49.6	63.0	45.6	47.5
Waco	4	58.3	59.3	51.4	49.2
Others	21	60.9	59.8	52.4	48.2
By type of store					
Department stores (over $1 million)	17	60.7	64.0	44.6	47.4
Department stores (under $1 million)	11	55.0	53.4	50.7	49.7
Dry goods and apparel stores	6	69.2	70.7	56.2	57.5
Women's specialty shops	14	57.0	62.9	47.5	48.1
Men's clothing stores	10	63.3	64.6	56.3	56.9
By volume of net sales (1950)					
Over $3,000,000	16	61.0	65.0	47.2	48.2
$1,500,000 to $3,000,000	6	59.8	62.3	36.8	51.3
$500,000 to $1,500,000	16	60.6	60.8	54.1	51.0
$250,000 to $500,000	11	49.4	49.1	44.1	45.7
Less than $250,000	9	50.4	48.3	45.0	45.8

*Credit sales divided by net sales.

†Collections during the month divided by the total accounts unpaid on the first of the month.

Future task. Retailing, with necessary support from its suppliers, will soon face a stern challenge. By the close of 1952, the nation's productive capacity will have been doubled since 1939, while the population has increased only about 17%. Even though many families have been able to raise their standards of living by several income brackets, their increasing demand for goods and services available will probably furnish only a part of the market required to pipe away the huge increases in supply. The present distributive machinery will likely need to be overhauled for a larger task and readjusted for "higher-octane" ideas and efforts in sales promotion, in order to produce the required results.

RETAIL SALES TRENDS

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U. S. Department of Commerce

Group	Number of reporting establishments	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
CITY-SIZE CLASS			
(Population, 1950 Census)			
Over 250,000	1,056	− 10	− 27
100,000 to 250,000	345	− 14	− 32
50,000 to 100,000	243	− 10	− 30
2,500 to 50,000	764	− 12	− 26
Under 2,500	110	− 12	− 16
KIND OF BUSINESS			
Durable goods			
Automotive stores	238	− 24	− 9
Furniture and household appliance stores	147	− 15	− 33
Jewelry stores	25	+ 7	− 72
Lumber, building material, and hardware stores	294	− 18	− 3
Nondurable goods			
Apparel stores	212	− 4	− 44
Country general stores	48	+ 6	− 18
Department stores	71	− 1	− 52
Drug stores	184	+ 9	− 23
Eating and drinking places	99	+ 16	x
Filling stations	777	+ 3	− 6
Florists	37	+ 17	− 39
Food stores	200	+ 6	− 9
General merchandise stores	62	− 1	− 52
Liquor stores	21	− 15	− 55
Office, store and school supply dealers	40	+ 5	− 1

xChange is less than one half of one percent.

Survey of January trade. In Texas, with 2,518 stores reporting, total retail sales in January slipped seasonally below December by 22% but also trailed January 1951 by 9%. This latter was a materially smaller volume decrease than the declines of 20% or more reported from some other parts of the nation.

Most retail lines shared in seasonal volume decreases from December. Exceptions were farm implement dealers (+33%) and lumber and building material dealers (+2%). In the January-to-January comparison, largest declines from the peaks of 1951 scare buying were reported for motor vehicle dealers (25%), lumber and building material dealers (20%), hardware stores (19%), furniture stores (18%), and liquor stores (15%). However, eating and drinking places were ahead of the earlier January by 16%, florists by 17%, drug stores by 9%, jewelers by 7%, and food stores by 6%.

The ratio of credit sales to total retail sales in January for 58 Texas department and apparel stores stood at 60.4%, only slightly above the 59.8% of December, lowest point in three years. Earlier January averages were: 1951, 63.7%; 1950, 64.6%; 1949, 60.1%; 1948, 59.4%; 1947, 54.9%; 1946, 45.1%. The average collection ratio for January was 46.5% in comparison with earlier Januarys: 1951, 48.6%; 1950, 47.5%; 1949, 50.9%; 1948, 55.3%; 1947, 57.3%; 1946, 63.4%.

ESTIMATES OF TOTAL RETAIL SALES
(in millions)

Type of store	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Total	$582.0	− 9	− 22
Durable goods	241.6	− 19	− 15
Nondurable goods	340.4	x	− 26

xChange is less than one half of one percent.

POSTAL RECEIPTS

City	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Total*	$5,122,937	$6,947,233	$4,441,117	+ 15	− 26
Arlington	7,390	11,446	5,472	+ 35	− 36
Bastrop	1,879	2,752	1,593	+ 18	− 32
Borger	13,977	20,486	10,419	+ 34	− 32
Brownfield	5,985	9,955	5,128	+ 17	− 40
Cameron	6,428	6,676	5,097	+ 26	− 4
Childress	5,380	11,381	4,732	+ 14	− 53
Cisco	4,323	4,870	3,942	+ 10	− 11
Cleburne	10,374	15,507	8,378	+ 24	− 33
Coleman	5,365	8,006	5,257	+ 2	− 33
Cotulla	1,803	1,819	1,062	+ 70	− 1
Crystal City	3,409	3,331	2,437	+ 40	+ 2
Cuero	4,390	6,208	4,240	+ 4	− 29
El Campo	6,383	9,292	5,326	+ 20	− 31
Gainesville	8,999	14,079	8,191	+ 10	− 36
Garland	9,467	17,703	8,610	+ 10	− 47
Giddings	2,910	4,209	2,077	+ 40	− 31
Gladewater	5,674	7,933	4,793	+ 18	− 29
Goldthwaite	1,825	3,372	1,728	+ 6	− 46
Granbury	1,381	2,047	1,132	+ 22	− 33
Hillsboro	5,252	8,043	4,910	+ 7	− 35
Huntsville	6,346	10,510	----	----	− 40
Jacksonville	9,139	13,412	9,350	− 2	− 32
Kenedy	3,074	4,161	2,651	+ 16	− 26
Kerrville	8,057	13,606	7,526	+ 7	− 41
La Grange	4,132	5,404	3,429	+ 21	− 24
Lampasas	2,756	7,636	3,624	− 24	− 64
Littlefield	5,702	7,175	5,353	+ 7	− 21
Llano	2,108	2,726	1,349	+ 56	− 23
Luling	2,405	4,714	3,116	− 23	− 49
McKinney	7,724	13,160	6,245	+ 24	− 41
Mission	6,283	10,039	6,134	+ 2	− 38
Navasota	3,575	6,475	2,450	+ 46	− 45
New Braunfels	11,131	18,600	8,982	+ 24	− 40
Orange	15,531	33,081	13,047	+ 19	− 53
Palestine	11,207	18,264	8,422	+ 33	− 39
Pampa	16,297	24,141	12,642	+ 29	− 35
Pasadena	12,931	21,116	9,987	+ 29	− 39
Pecos	7,733	20,915	6,483	+ 19	− 63
Snyder	10,046	14,766	10,574	− 5	− 32
Sweetwater	13,670	20,127	13,072	+ 5	− 32
Uvalde	6,315	8,641	5,682	+ 11	− 27
Vernon	10,621	15,315	9,290	+ 14	− 31
Yoakum	8,198	11,481	7,763	+ 6	− 29

*The total includes receipts for cities which are listed individually under "Local Business Conditions."

Secondary trade indicators. Advertising linage in 30 Texas newspapers in January averaged 17% below December but 7% over January 1951. Of these 30 papers, 4 topped December and 14 bettered a year ago.

Sales of gasoline subject to tax totaled 245,239,000 gallons in December, 8% over November and 7% above a year earlier. Gasoline sold to the federal government amounted to 49,183,000 gallons, 6% down both from November and from a year ago.

Postal receipts for January in 91 Texas cities fell seasonally 26% from December's large mailings but topped January 1951 by 15%. Only four tabulated cities bettered December and only six fell below January 1951.

A. HAMILTON CHUTE

FOREIGN TRADE

Trade pattern at the Port of Houston. The Houston Port and Traffic Bureau reports that Latin America contributed the lion's share of all imports moving into Houston last year. In 1951, nations in that area accounted for 61% of all imports, while Europe was second with 26%, and the remainder came principally from Canada and Asia.

Mexico, exporting crude oil, coffee, and benzene, shipped in a larger tonnage than any other Latin American country. Others contributed to imports of quebracho, coffee, iron ore, canned meat, and benzene.

Achievements of the Port of Houston in 1951 were impressive and even included breaking four previous Houston records:

(*a.*) Over-all tonnage reached 45,051,748 tons, an increase of 3,056,605 over the 1950 total.
(*b.*) Foreign trade, valued at $749.0 million, was 63.5% greater than during 1950.
(*c.*) Customs duties on imports entering through Houston during 1951 amounted to $10.6 million.
(*d*). More than 61.0 million bushels of grain were loaded for foreign ports during the year.

FOREIGN TRADE THROUGH TEXAS CUSTOMS DISTRICTS
(in millions)

Source: Bureau of the Census, U. S. Department of Commerce

Customs district	Nov 1951	Oct 1951	Nov 1950	Percent change: Nov 1951 from Nov 1950	Percent change: Nov 1951 from Oct 1951
Exports, total	$188.1	$167.2	$116.6	+ 61	+ 13
District 21 (Sabine)†	12.8	9.0	4.3*	+198	+ 42
District 22 (Laredo)	39.1	49.7	31.9	+ 23	— 21
District 23 (Galveston)	131.7	104.0	76.8*	+ 71	+ 27
District 24 (El Paso)†	4.5	4.5	3.6	+ 25	0
Imports, total	$ 30.9	$ 41.4	$ 28.1	+ 10	— 25
District 21 (Sabine)†	0.5	1.4	0.3	+ 67	— 64
District 22 (Laredo)	4.7	4.4	8.6	— 45	+ 7
District 23 (Galveston)	21.6	31.1	17.1	+ 26	— 31
District 24 (El Paso)†	4.1	4.5	2.1	+ 95	— 9

*Denotes water-borne shipments only.
†Customs districts 21 and 24 include Lake Charles, Louisiana, and Columbus, New Mexico, respectively.

United States in world trade. Total U. S. exports in December amounted to $1,436.1 million and completed a total of $15,021.5 million for 1951. For the eleventh consecutive month, export totals exceeded the $1-billion mark.

Although exports rose by $50.1 million from November to December, imports dropped by $17.8 million to a December total of $800.6 million. All U.S. imports in 1951 scored a total value of $10,961.6 million.

The 1951 totals were the highest for any year on record in both outgoing and incoming foreign trade. The net margin of merchandise exports over imports, which narrowed to $1.4 billion in 1950, expanded in 1951 to a substantial $4.1 billion, thus approaching the relationship established during and after World War II. December's higher exports and lower imports contributed approximately $78.0 million to this imbalance. From 1942 through 1949, the smallest dollar gap recorded was $4.8 billion in 1946, and the highest was $10.4 billion in 1944.

FRANK T. CADENA

AGRICULTURE

1952 crop goals. Texas farmers, like those in every other state, have been asked to break their current production records during the coming year. Farmers and ranchers in Texas have already scored impressively during past seasons, for the recently released 1950 *Census of Agriculture* shows Texas to be the leading state in dollar sales of farm produce and also in total farm value. The high levels desired in dairy, livestock, and poultry production are threatened by short supplies of feed grain, and acceleration of feed-grain output is being greatly encouraged.

FARM CASH INCOME*
(in thousands)

Commodity	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Texas	$118,725	$188,974	$111,582	+ 6	— 37
Cotton	35,982	87,707	10,640	+328	— 59
Cottonseed	6,971	15,808	2,560	+172	— 56
Wheat	1,882	1,266	122	+1443	+ 49
Oats	141	142	599	— 76	— 1
Corn	1,686	2,979	2,012	— 16	— 43
Grain sorghum	2,846	5,573	5,488	— 48	— 49
Peanuts	777	1,472	2,205	— 65	— 47
Rice	0	1,823	0	0	—100
Cattle	15,223	13,656	30,917	— 51	+ 11
Calves	5,992	6,425	7,622	— 21	— 7
Hogs	3,663	2,934	4,175	— 12	+ 25
Sheep and lambs	1,335	806	1,209	+ 10	+ 66
Wool	3,149	3,273	0	—	— 4
Mohair	393	27	0	—	+1356
Poultry	3,776	14,980	3,199	+ 18	— 75
Eggs	7,021	5,488	5,523	+ 27	+ 28
Milk and milk products	19,465	19,223	17,307	+ 12	+ 1
Fruit and vegetables	8,423	5,392	6,227	+ 35	+ 56

*Farm cash income as computed by the Bureau understates actual farm cash income by from 6 to 10%. This situation results from the fact that means of securing complete local marketings, especially by truck, have not yet been fully developed. In addition, means have not yet been developed for computing cash income from all agricultural specialties of local importance in scattered areas. This situation does not impair the accuracy of the index shown on page 24.

Prospective cotton production. Emphasis is not, however, on feed grain alone. Competition between that commodity and cotton for available farm land is promised by the setting of a 16-million-bale goal for the 1952 cotton crop. If the goal for cotton production is reached this year, domestic requirements as well as export needs and badly depleted reserves should be filled. Last August 1, carryover stocks were at their lowest ebb in a quarter-century. There remained but 2.5 months supply at current mill consumption rates on that date.

Prices received by farmers. The index of prices received by farmers in Texas during January stood at 355% of the 1909–1914 base period, down 3% from the preceding month and 7% below the level of a year ago. The declines in cotton prices (7 and 10% for the same comparisons as above) were somewhat more pronounced than the over-all average drops. January prices for livestock and livestock products fell 3 and 9% from December and January 1951, respectively. Poultry and eggs took the greatest drop from December (21%), and wool, from January 1951 (38%). Despite the drop in egg prices from 58.8 cents to 41.3 cents a dozen, increased

production resulted in a 26% expansion in farm income from this commodity during January. Farmers' revenues from cotton and cottonseed were up 238 and 172%, respectively, from December but down 59 and 56% from January 1951.

SHIPMENTS OF LIVESTOCK

(in carloads)*

Source: Bureau of Business Research in cooperation with the Bureau of Agricultural Economics, U. S. Department of Agriculture

Classification	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Total shipments	4,223	3,722	7,069	− 40	+ 13
Cattle	2,228	2,040	4,796	− 54	+ 9
Calves	569	632	843	− 33	− 10
Hogs	1,046	836	1,110	− 6	+ 25
Sheep	380	214	310	+ 23	+ 78
Interstate plus Fort Worth	4,033	3,533	6,657	− 39	+ 14
Cattle	2,101	1,917	4,490	− 53	+ 10
Calves	529	589	768	− 31	− 10
Hogs	1,025	820	1,104	− 7	+ 25
Sheep	378	207	300	+ 26	+ 83
Intrastate minus Fort Worth†	190	189	402	− 53	+ 1
Cattle	127	123	306	− 58	+ 3
Calves	40	43	80	− 50	− 7
Hogs	21	16	6	+250	+ 31
Sheep	2	7	10	− 80	− 71

*Rail-car basis: cattle, 80 head per car; calves, 60; hogs, 80; and sheep, 250.

†Intrastate truck shipments are not included. Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.

Meat production. During 1952, meat production will apparently be somewhat greater than during 1951. Most of the increase is expected to appear during the first six months of the year. As 1952 began, 11% more cattle were on feed in the United States than were a year before; the newer total was 5.1 million head. Sheep and lambs on feed were also up (15%) from the year-ago figure. The Department of Agriculture reported a 1% drop in total meat production during 1951. Compared to the record high of 1944, the 1951 total was down 20%. Production of beef, mutton and lamb, and veal slid 8, 8, and 15% from 1950 to 1951; yet, pork was up 8%.

EUGENE O. BEARD.

INDEXES OF PRICES RECEIVED BY FARMERS IN TEXAS

(1909–14=100)

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture

Product	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
All farm products	355	365	380	− 7	− 3
All crops	317	326	331	− 4	− 3
Food grains	248	244	249	x	+ 2
Feed grains and hay	248	242	199	+ 25	+ 2
Potatoes and sweet potatoes	301	268	165	+ 82	+ 12
Fruit	242	327	68	+256	− 26
Truck crops	603	508	469	+ 29	+ 19
Cotton	298	320	332	− 10	− 7
Oil-bearing crops	342	343	467	− 27	x
Livestock and products	406	418	445	− 9	− 3
Meat animals	493	491	533	− 8	x
Dairy products	296	295	271	+ 9	x
Poultry and eggs	265	337	268	− 1	− 21
Wool	416	435	671	− 38	− 4

xChange is less than one half of one percent.

COTTON

Goal: 16 million bales. The cotton balance sheet shows that while the supply of cotton in the United States on February 1 was about a half-million bales more than last year, the trend indicates that long before the season ends, the balance will be no larger than it was last year.

The fact that domestic consumption has been slower this year (by some 700,000 bales through January) is more than offset by exports more than a million bales greater than last year's at the end of December.

Inherent strength of the world cotton supply-demand situation is not yet reflected in the current prices in the United States. The persisting narrow margins received by cotton manufacturers in this country constitute the major bearish factor, and that has caused undervaluation of a very strong export market.

The goal of 16 million bales set by the Department of Agriculture for the new crop is temporarily bearish because of the general assumption that it will be reached. Present comparative prices do not justify such an assumption.

A. B. COX.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF FEBRUARY 1, 1952

(in thousands of running bales except as noted)

Year	Carryover Aug 1	Imports to Feb 1*	Government estimate Feb 1	Total	Consumption to Feb 1	Exports to Feb 1	Total	Balance as of Feb 1
1941–42	12,367	193	10,976	23,536	5,391	690	6,081	17,455
1942–43	10,590	137	12,982	23,709	5,623	613	6,246	17,463
1943–44	10,687	97	12,120	22,904	5,091	767	5,818	17,086
1944–45	10,727	73	12,359	23,159	4,871	693	5,564	17,595
1945–46	11,164	166	9,195	20,525	4,405	1,433	5,838	14,687
1946–47	7,522	171	8,482	16,175	5,204	1,866	7,070	9,105
1947–48	2,521	182	11,694	14,397	4,637	872	5,509	8,888
1948–49	2,823	130†	14,937	17,890	4,204	1,481†	5,685	12,205
1949–50	5,283	97†	16,034	21,414	4,340	1,885†	6,025	15,439
1950–51	6,846	55†	9,884	16,785	5,445	1,833†	7,278	9,507
1951–52	2,179	15†	15,250	17,484	4,707	2,873	7,580	9,904

The cotton year begins August 1.

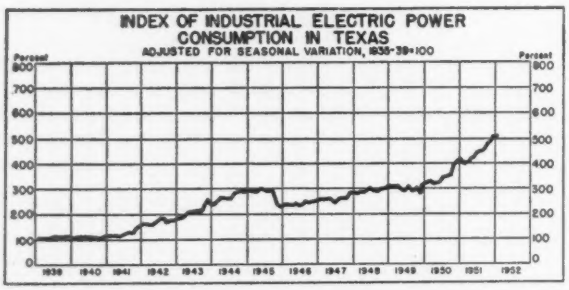
*In 478 pound bales.

†To January 1 only.

INDUSTRIAL PRODUCTION

The level of industrial production in Texas, as indicated by the seasonally adjusted index of industrial electric power consumption, edged up 1% for the second consecutive month and stood 28% above its January 1951 level in the first month of 1952. Actual industrial consumption rose 1,396,000 kilowatt-hours, less than 1%, from December. The index of total electric power consumption for January showed a gain of less than 1% from the preceding month but was 20% over January 1951.

New developments in Texas manufacturing include the March 15 pouring of the first aluminum produced by Alcoa in its expanded Point Comfort works, and the formal announcement of the coming construction of a multimillion dollar power plant one mile west of Stamford's newly created municipal lake, Paint Creek Reservoir. The possible location of an atomic energy plant Texas is under study. According to the president of Monsanto Chemical Company, this project would be one of the first of its kind involving private capital.



ELECTRIC POWER CONSUMPTION
(in thousands of kilowatt-hours)

Use	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Total	949,143	932,617	785,344	+ 12	+ 2
Commercial	175,465	175,441	154,043	+ 14	x
Industrial	461,623	460,229	361,072	+ 28	x
Residential	164,809	153,884	144,758	+ 14	+ 7
Other	147,246	143,063	125,471	+ 17	+ 3

Prepared from reports of 10 electric power companies to the Bureau of Business Research.
xChange is less than one half of one percent.

Oil and gas trends. Allowable production of Texas crude oil for the month of March has been set at a new high by the Railroad Commission of Texas. The daily allowable (3,131,665 barrels) is 2,956 barrels over the previous high of 3,128,709 barrels set during the week ending October 27, 1951. March allowable producing days have been tabbed at 24–19 as compared to February's 22 days for the state in general and 18 days for the East Texas field. One major petroleum company requested a 25-producing-day month, while the other petroleum companies represented at the commission's hearing were about evenly split in their opinions, half asking for 24 days and half for 23 days. January crude runs to stills moved upward, raising the seasonally adjusted index to 209 (1935–39=100), compared to 193 for December and 200 for the first month of 1951. Crude runs to stills climbed 2% from December and 4% above January 1951, and when seasonal adjustment is made the last month of 1951 was topped by 8%.

Texas refinery stocks registered an increase (20%) for gasoline but decreases for distillate, kerosene, and residual (24, 26, and 81%, respectively), from the month of December. On a year-to-year basis, in the first month of 1952 all stocks were from 6 to 39% over January of last year. For the nation as a whole, stocks followed practically the same pattern, although changes were somewhat less drastic than those for Texas stocks, with the exception that residual stocks fell (6%) from January of last year.

The first month of 1952 saw 1,667 wells completed, of which 975 produced oil and 69, gas; 623 were dry. Daily average production of crude petroleum for January was up 6% from a year ago but down 1% from December, and when adjustment is made for seasonal variation, a drop of 4% from December is registered. February is seeing new highs set in petroleum production. The Corpus Christi area is due for a multimillion dollar refinery to have alkylation and polymerization units as well as a

WELL COMPLETIONS
Source: *The Oil and Gas Journal*

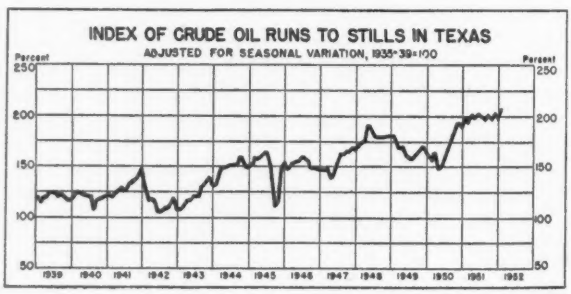
District	January 1952* Oil	Gas	Dry	January, totals (all wells) 1952	1951
All Texas	975	69	623	1,667	1,599
North Central Texas	227	5	271	503	462
West Texas	416	2	89	507	463
Panhandle	26	22	14	62	70
Eastern Texas	48	3	28	79	122
Texas Gulf Coast	147	24	118	289	243
Southwest Texas	111	13	103	227	239

*For five weeks ending February 2, 1952.

REPORTED PETROLEUM PRODUCTION
(in barrels)
Source: Oil and Gas Division, Railroad Commission of Texas

Oil and gas districts	Nov 1951	Oct 1951	Nov 1950	Percent change: Nov 1951 from Nov 1950	Percent change: Nov 1951 from Oct 1951
All districts	83,852,260	88,252,639	76,613,797	+ 9	— 5
District 1	993,130	1,049,086	928,169	+ 7	— 5
District 2	4,951,330	5,311,366	4,467,873	+ 11	— 7
District 3	14,102,911	15,088,919	13,314,419	+ 6	— 7
District 4	7,808,632	8,292,208	6,929,121	+ 13	— 6
District 5	1,557,556	1,677,006	1,281,201	+ 22	— 7
District 6	12,023,677	12,067,744	11,838,740	+ 2	x
District 7b	2,600,405	2,689,363	2,263,226	+ 15	— 3
District 7c	3,422,930	3,498,088	2,136,699	+ 60	— 2
District 8	29,127,038	31,000,644	26,200,255	+ 11	— 6
District 9	4,765,211	4,971,911	4,572,887	+ 4	— 4
District 10	2,499,437	2,606,304	2,681,207	— 7	— 4

xChange is less than one half of one percent.



fluid catalytic cracking unit. The plant, to cost in excess of $10 million, is expected to operate at 28,000 barrels a stream-day. Meanwhile, the Houston plant of a large chemical corporation is increasing its production of ethyl chloride by 30% and of synthetic glycerine by 50%.

Total production of natural gas in the state during December, as reported by the Railroad Commission of Texas, came to 435,973 million cubic feet, bringing output for the year 1951 to a level 16% above that of the preceding year. Of that total, approximately 335 billion cubic feet was gas-well gas and over 303 billion cubic feet of that was sweet gas. For the year, marketed production of gas-well gas, casinghead gas, and comingled gas were up 17, 26, and 131% respectively. The year 1951 saw a 10% rise in the percent of natural gas being exported from the state, with December showing 46% of that gas going to transmission lines to have been exported. Slightly over 26 billion cubic feet went to carbon black manufacture during the month of December, the latest month for which figures are available.

TOTAL AND MARKETED PRODUCTION OF NATURAL GAS

(in millions of cubic feet)

Source: Oil and Gas Division, Railroad Commission of Texas

Item	Dec 1951	January–December 1951	1950	Percent change
Total production	435,973	4,673,354	4,024,177	+ 16
Gas-well gas	335,200	3,518,488	3,099,606	+ 14
Sweet	303,550	3,163,774	2,756,540	+ 15
Sour	31,650	354,714	343,066	+ 3
Casinghead gas*	100,773	1,155,049	924,571	+ 25
Marketed production	367,125	3,816,603	3,135,685	+ 22
Gas-well gas	257,302	2,686,782	2,286,662	+ 17
Casinghead gas	87,515	999,876	792,887	+ 26
Comingled gas†	22,308	129,945	56,136	+131
Transmission lines	274,954	2,750,312	2,180,985	+ 26
Consumed in state	106,311	1,017,116	882,316	+ 15
Exported from state	168,543	1,733,196	1,298,669	+ 33
Percent of marketed production	46	45‡	41‡	+ 10
Carbon black manufacture	26,037	328,078	306,421	+ 7

*Total casinghead gas produced, excluding gas legally vented at the oil well.

†Casinghead and gas-well gas combined in gasoline plant operations.

‡Monthly average.

With world production of crude petroleum falling 126,100 barrels daily from the November level, December daily output was still only 122,000 barrels below that of June 1951, the last month before the Iranian shutdown, which cut off 700,000 barrels per day to the Western world. Spokesmen for the International Bank are en route to the United States after an undisclosed part of their plan to get Iran's oil production going again has been agreed to by Iran's government. The plan includes a proposal that the bank operate the industry there while Anglo-Iranian problems are ironed out.

Two innovations of interest to Texans made their appearance during February. First, a process making use of salt water instead of fresh water in the mining of sulphur has been announced. The minerals present in salt water, which have made it unusable, are prevented from breaking down and thereby doing their damage, rather than being removed from the water. The possibility of using salt water in sulphur-mining operations should stimulate activity in such operations in tidal areas along the Texas coast. A bill is now before Congress to appropriate $2 million for research in the utilization of salt water in industrial, agricultural, municipal, and other fields.

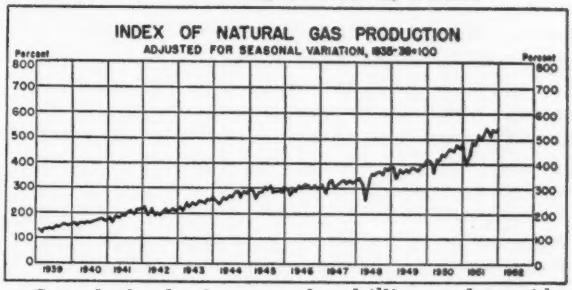
REFINERY STOCKS*

(in thousands of barrels)

Source: *The Oil and Gas Journal*

Area and product	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
United States					
Gasoline	135,894	122,558	129,700	+ 5	+ 11
Distillate	62,390	83,792	56,776	+ 10	— 26
Residual	38,076	42,684	40,617	— 6	— 11
Kerosene	20,101	25,528	15,634	+ 29	— 21
Texas					
Gasoline	28,801	23,537	26,578	+ 8	+ 20
Distillate	11,645	15,341	9,533	+ 22	— 24
Residual	7,104	7,786	5,685	+ 25	— 31
Kerosene	3,577	4,814	2,570	+ 39	— 26

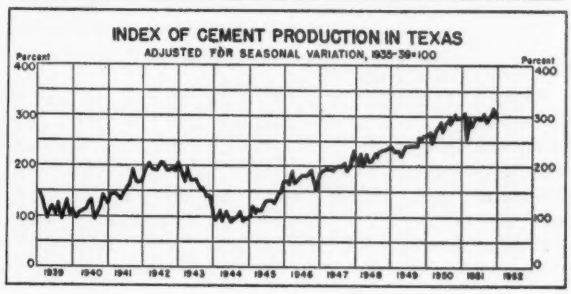
*Figures shown for week ending nearest last day of month.



Second, the development of a drilling mud to withstand temperatures above 300° Fahrenheit for use in deep wells is regarded as a promising research victory. Scientists in Dallas developed the well-saving mud on short notice when, owing to bottom-hole temperatures as high as 326° Fahrenheit, drilling was halted on a well in Louisiana at 17,836 feet. The first step has been made toward production from wells of greater depth than has been possible in the past, a goal toward which the oil industry has eagerly pointed.

MANUFACTURE OF DAIRY PRODUCTS

Product	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Total production in milk equivalent (000's lbs.)	34,772	26,882	32,466	+ 7	+ 29
Creamery butter (000's lbs.)	446	470	490	— 9	— 5
Ice cream (000's gals.)	1,729	1,102	1,340	+ 29	+ 57
American cheese (000's lbs.)	223	203	250	— 11	+ 10
Cottage cheese (000's lbs.)	420	351	627	— 33	+ 20
All others (000's lbs.)	1,085	828	1,527	— 29	+ 31



Other industrial activity. Cement production during the month of December stood at 1,601,000 barrels, bringing the total for the year to 18,133,000 barrels as against 17,173,000 barrels produced in 1950, an increase of 6%. During December, cement stocks shot upward 46% from the preceding month to reach 992,000 barrels as a result of production topping shipments by 312,000 barrels.

TEXAS INDUSTRIAL ACTIVITY

Source: Bureau of the Census, U. S. Department of Commerce, and State Comptroller of Public Accounts

Item	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Value of carbon black produced (000's)	$ 5,884	$ 1,824	$ 4,618	+ 27	+223
Cotton (in running bales)					
Cotton consumed	15,525	11,208	15,727	— 1	+ 39
Linters consumed	2,146	2,144	2,113	+ 2	x
Cotton spindles					
Spindles in place (000's)	217	217	214	+ 1	0
Spindles active (000's)	206	205	204	+ 1	x
Total spindle hours (000's)	106,000†	75,000	110,000	— 4	+ 41
Average spindle hours (000's)	488	346	514	— 5	+ 41
Cottonseed (tons)					
Received at mills	70,421	192,498	34,491	+104	— 63
Crushed	190,441	173,923	143,375	+ 33	+ 9
Stocks, end-of-month	386,912	506,923	297,854	+ 30	— 24
Crude oil					
Value (000's)	$252,238	$200,150	$209,031	+ 21	+ 26
Production (000's bbl.)	97,655	77,394	80,844	+ 21	+ 26
Value of natural and casinghead gas (000's)	$ 31,987	$ 21,943	$ 22,802	+ 40	+ 46
Sulfur production (long tons)	0	0	908	0	—100
Wheat					
Ground (000's bushels)	2,462	2,129	2,509	— 2	+ 16
Milled: flour (000's sacks)	1,051	905	1,244	— 16	+ 16

xChange is less than one half of one percent.
†For five weeks ending February 2, 1952.

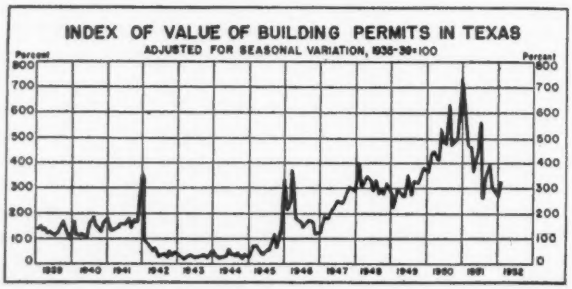
Future of castor beans in Texas. Texas farmers have been asked to plant 80,000 acres to castor beans in 1952, about 60% more land than was planted last year. The oil extracted from castor beans plays an important part in the making of artificial leather, belt dressings, printing inks, cosmetics, pharmaceuticals, hydraulic fluids, lubricants, electrical systems, varnishes, paints, plastics, rubber compounds, lacquers, textiles, asphalt tile, nylon, and many other commodities. The company which has been crushing 90% of the country's castor bean crop is reported to want a half-million-acre crop in the nation this year. Texas areas probably due for increases in castor bean acreage include the Vernon-Chillicothe vicinity, the territory in and around Fannin and Hunt counties, the Elkhart area, and the land around Brownwood, where the 1951 castor bean crop suffered particularly from the drought.

Cottonseed received at mills, crushed, and cottonseed stocks were all down, from 13 to 28%, in 1951. The same was true in the November–December comparison, with the exception of stocks, which were 4% above the November level. Wheat ground and flour milled were also down from 1950 (9 and 8%, respectively), with December levels each falling 18% below November.

EUGENE O. BEARD

CONSTRUCTION

Supraseasonal building upsurge. During January, urban building authorized in Texas totaled $46,315,000, about 41% more than during December but 48% below the January 1951 level. Because January normally starts the seasonal building upturn in Texas, the seasonally adjusted index of building permits compiled by the Bureau of Business Research rose only 30%. After this increase, the index stood at 339% of its pre-war base (1935–39=100), but after adjustment for the increase in building costs, the index came to 164% of the same base-period average. The chart below graphs the fluctuations of the seasonally adjusted index since January 1935.



Residential building permits reached upward 48% from December to January, without allowance for seasonal variation, but nonresidential permits rose only 15%. Permits for new residential building constituted 73% of all new building authorized; the remaining 27% of new construction was nonresidential in type. Of the $28,408,000 total for residential permits issued during the month, one-family houses accounted for $27,247,000, leaving only $1,102,000 for all multiple-family dwellings.

The increase in multiple-family dwellings between December and January was less than the increase in one-family dwellings (30% compared to 49%). In comparison with January of last year, multiple-family dwellings decreased 68%, while one-family dwellings were down 46%. Nonhousekeeping residential building, including that of hotels and tourist cabins, was a negligible part of total residential building and registered large declines both from the preceding month and from a year ago.

All these statistical series are compiled monthly by the Bureau of Business Research in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor, from building permit data furnished by building inspectors in Texas cities. These data are printed in greater detail in *Construction in Texas*, a monthly supplement mailed without charge, upon request, to subscribers to the *Texas Business Review*.

New housing for Texans. During the first month of 1952, some 5,003 dwelling units were started in Texas, 68% more than the 2,984 of December, but a drop of 30% from the 7,168 dwelling starts in January 1951. Federal construction accounted for 823 dwelling units in January 1952 and contributed to a monthly total greater than any since that of June 1951.

Nearly half (45%) of the construction authorized in the state during January was in Houston, Dallas, San Antonio, and Fort Worth. These four cities issued permits for 54% of Texas building in January 1951 and for 50%

in December 1951. The small-city class, comprised of cities under 25,000 in population, was the second most active group in January, issuing 28% of the state's building permits as compared to 23% one year before and 25% in December 1951.

Changes in building permits issued between January 1952 and a year earlier showed considerable variation in the different city-size groups. The deepest decline occurred in the largest cities (57%), while the smallest decline was in cities of the 25,000-to-50,000 group (23%). Cities of less than 25,000 population declined 37% over the 12-month period, and cities between 50,000 and 100,000 declined 45%.

Construction: The national scene. The value of new construction put in place in the United States increased 4% from December to January after adjustment for seasonal variation. Consequently, January was the peak month since May 1951. Federal, state, and local construction increased 1% in the same monthly comparison; private residential construction was up 1%, and other private construction, 12%. Out of the total increase in value of new construction, $107 million, nonresidential private construction accounted for $89 million. These data are compiled by the Departments of Commerce and Labor and are adjusted for seasonal variation. Without this seasonal adjustment, the total value of new construction dropped in January, but the drop was less than the normal seasonal decline, so the adjusted index rose. (Unlike the normal uptrend in Texas during January, the usual January deviation for the entire nation is downward). The substantial increase in nonresidential private construction resulted almost entirely from the expansion in industrial and commercial construction; the former increased 25% and the latter, 49%. The Department of Labor credits the improved distribution of controlled materials for this increase. In comparison with a year ago, industrial building in January was up 39%, but commercial building dropped 26%. Public utilities also registered an increase over a year ago, although between December and January they declined.

ESTIMATES OF BUILDING PERMITS ISSUED
(in thousands)
Source: Bureau of Business Research in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Classification	Jan 1952*	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
All building permits	$46,315	$32,906	$88,957	− 48	+ 41
City size group (Population 1940)					
Over 100,000	20,987	16,408	48,321	− 57	+ 28
50,000 to 100,000	7,873	5,451	14,243	− 45	+ 44
25,000 to 50,000	4,316	2,749	5,634	− 23	+ 57
Under 25,000	13,139	8,298	20,759	− 37	+ 58
Kind of construction					
New construction	39,110	28,589	81,131	− 52	+ 37
Residential	28,408	19,254	54,013	− 47	+ 48
Housekeeping	28,349	19,157	53,569	− 47	+ 48
Single family	27,247	18,310	50,170	− 46	+ 49
Multiple family	1,102	847	3,399	− 68	+ 30
Nonhousekeeping	59	97	444	− 87	− 39
Nonresidential	10,702	9,335	27,118	− 61	+ 15
Additions, alterations, and repairs	7,205	4,317	7,826	− 8	+ 67

Only building for which permits were issued within the incorporated area of a city is included. Federal contracts are excluded.

*Preliminary. A 612-unit housing project in Wichita Falls, for which a $5-million permit has been issued, was reclassified and brought within the scope of this table too late to be included here. The revised totals will be published in next month's issue.

Late in February the National Production Authority announced that office buildings, stores, filling stations, and certain other types of commercial building projects will be allowed to go ahead in 1952, some of them as early as the second quarter. The NPA also announced that religious and community projects, such as churches and police stations, would be started. However, no relaxation of controls for entertainment projects had been announced by the last week of February.

CONSTRUCTION CONTRACTS AWARDED IN TEXAS
(in thousands)
Source: Dodge Statistical Research Service

Type of construction	Dec 1951	January–December 1951	January–December 1950	Percent change
All construction	$83,201	$1,231,815	$1,071,562	+ 15
Total new building	61,708	900,040	803,741	+ 12
Residential	22,062	527,873	501,314	+ 5
Nonresidential	39,646	372,167	302,427	+ 23
Additions, alterations, and repairs	6,380	132,008	77,379	+ 71
Residential	398	5,703	5,911	− 4
Nonresidential	5,982	126,305	71,468	+ 77
Public works and utilities	15,113	199,767	190,382	+ 5

Under the most recent regulations, commercial construction projects will be approved if they are at least 1% complete. This was interpreted to mean that if the footings had been placed in an excavation, an allotment of controlled materials would be made. Previously, it was required that no allotment would be made unless the project was 20% completed.

The outlook for 1952 in residential and industrial construction remains relatively unchanged from previous months. It appears certain that publicly financed industrial building will expand during 1952, and the strong start in January may be taken to support this view. Most surveys of intentions of business management indicate that privately financed industry will continue expanding throughout 1952.

Optimists have been predicting that materials will become more plentiful before the end of the year, and already there is some evidence that they are correct. The plans to lengthen the period allowed for attaining the war production goals mean that more materials will be available in coming months for civilian goods, and housing may be more plentiful owing to this change in schedule. Already announcements are indicating that certain types of steel, including some structural shapes, are becoming more plentiful. The optimists may also point to the fact that restrictions have not yet had as serious effect on building as was expected, and with a general relaxation of controls, conditions might improve proportionately.

JOHN R. STOCKTON

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FINANCE

Static banking in January. Few significant changes occurred in the condition of the weekly reporting member banks in the Dallas Federal Reserve District during January. No large movements took place in any one item, and compensating fluctuations among the various asset and liability accounts resulted in approximate overall stability. The $73-million (3%) increase in adjusted demand deposits was not excessive for this time of year and should not be interpreted as an inflationary trend. Total loans and investments were practically unchanged at the end of the month.

CHANGES IN CONDITION OF WEEKLY-REPORTING MEMBER BANKS IN THE DALLAS DISTRICT

Source: Board of Governors of the Federal Reserve System

Item	Percent change*		
	Jan 1952 from Jan 1951	Jan 1952 from Dec 1951	Jan 1951 from Dec 1950
Assets			
Loans and investments	+ 7	x	— 1
Loans	+ 4	+ 1	+ 2
Total U.S. Government securities	+ 10	— 1	— 6
Treasury bills	+124	— 15	— 40
Treasury certificates of indebtedness	—	— 2	0
Treasury notes	— 53	— 1	+ 1
Bonds	+ 5	+ 5	— 1
Other securities	+ 6	+ 1	+ 1
Reserve with Federal Reserve Banks	+ 7	— 1	+ 3
Cash in vaults	— 17	— 2	— 10
Balances with domestic banks	+ 23	— 25	— 24
Liabilities			
Total deposits (except interbank)	+ 6	+ 2	+ 2
Demand deposits (adjusted)	+ 6	+ 3	+ 2
Time deposits	+ 3	+ 2	— 1
U.S. Government deposits	+ 2	— 26	+ 21
Interbank deposits	+ 13	— 21	— 22
Domestic banks	+ 13	— 21	— 22
Foreign banks	0	— 13	— 13
Capital accounts	+ 15	+ 4	+ 3

*Percentage comparisons are based on week ending nearest the close of the calendar month.

xChange is less than one half of one percent.

The summary statement of condition of the Federal Reserve Bank of Dallas likewise reveals little significant variation during January. As would be expected, the post-holiday contraction of currency in circulation resulted in a $21-million decrease in Federal Reserve notes outstanding and a compensatory movement (+$22 million) in deposits held. Such compensatory action is to be expected, for member banks which return Federal Reserve notes to their Federal Reserve banks receive credit in their deposit (reserve) accounts.

These changes, although small, emphasize the fact that a thorough grasp of the interrelationship of Federal Reserve bank asset and liability items is essential to an understanding of the operation of our money and banking system, first, because reserve bank operations are so important in our monetary structure, and second, because such operations are reflected largely in their statements of condition. Federal Reserve credit control activities operate primarily, although not exclusively, by affecting member bank reserves, and these reserves are included under the "deposits" account on the statement of condition. In general, Federal Reserve authorities (such as the Board of Governors and the Federal Open Market Committee) will attempt to increase these reserve balances when desiring credit expansion and will follow the opposite course when contraction appears to be in order. It is axiomatic that when member bank deposits (reserves) at the Federal Reserve banks vary, one or more other liability or asset items must vary at the same time, since total assets and total liabilities must always be equal. Thus, other things remaining equal, member bank reserve balances (a liability item) will vary inversely with the other liability items and directly with the asset items. Even when other things do *not* remain equal, which is the usual case, there is a strong tendency for member bank reserves to move in the manner described.

BUSINESS FAILURES

Source: Dun & Bradstreet, Inc.

Item	Jan 1952	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Number	8	6	8	0	+ 33
Liabilities (in thousands)	$288	$413	$188	+ 53	— 30
Average liabilities per failure (in thousands)	$ 36	$ 69	$ 24	+ 50	— 48

Theorem of reserve balances. For convenience, Federal Reserve bank assets may be classified under four headings: (*a*) gold certificate reserves, (*b*) U.S. Government securities owned. (*c*) discounts and advances, and (*d*) other assets. Liabilities can likewise be subdivided into: (*a*) Federal Reserve notes outstanding, (*b*) deposits, and (*c*) other liability and capital accounts. Deposits should be further broken down into those of member banks, the U.S. Treasury, and others (including nonmember and foreign banks). This breakdown permits the formulation of a simple theorem: *Member bank reserve balances tend to vary directly with gold certificate reserves, U.S. Government securities owned, and the volume of discounts and advances, and inversely with Federal Reserve notes outstanding, Treasury deposits, and other deposits.*

This analysis, although greatly simplified, shows that in order to control the volume of member bank reserves and thereby influence the volume of money, Federal Reserve authorities must be able to control one or more

BANK DEBITS AND END-OF-MONTH DEPOSITS IN SELECTED TEXAS CITIES

(in thousands of dollars)

City	Bank debits			End-of-month deposits		
	Jan 1952	Dec 1951	Percent change	Jan 1952	Dec 1951	Percent change
Arlington	5,498	4,722	+ 16	5,885	5,810	+ 1
Bastrop	1,457	——	——	1,708	——	——
Caldwell	1,700	1,834	— 7	3,793	3,813	— 1
Cisco	2,216	2,181	+ 2	4,152	4,189	— 1
Giddings	1,671	1,884	— 11	3,941	4,184	— 6
Lampasas	4,460	4,087	+ 9	6,356	6,472	— 2
Llano	2,783	2,840	— 2	3,679	4,054	— 9
San Saba	2,263	3,145	— 28	4,373	4,477	— 2
Seguin	7,662	6,974	+ 10	10,091	10,429	— 3
Terrell	4,644	5,103	— 9	8,433	8,582	— 2

FEDERAL INTERNAL REVENUE COLLECTIONS

Source: Office of the Collector, Internal Revenue Service, Treasury Department

Source	July 1–January 31 1951–52	1950–51	Percent change
Texas	$947,875,175	$769,785,290	+ 23
Income	528,898,672	443,617,711	+ 19
Employment	8,880,755	28,581,539	— 69
Withholding	315,443,467	208,689,365	+ 51
Other	94,652,281	88,896,675	+ 6
First District	509,359,162	401,504,800	+ 27
Income	284,715,210	230,757,711	+ 23
Employment	1,574,535	1,112,957	+ 41
Withholding	172,824,639	122,566,957	+ 41
Other	50,244,778	47,067,175	+ 7
Second District	438,516,013	368,280,490	+ 19
Income	244,183,462	212,860,000	+ 15
Employment	7,306,220	27,468,582	— 73
Withholding	142,618,828	86,122,408	+ 66
Other	44,407,503	41,829,500	+ 6

of the other asset and liability items enumerated above. (No mention is made in this discussion of the Board of Governors' limited power to manipulate member bank reserve requirements.) To what extent can the Reserve authorities exert such control? The answer to this question is extremely important in that it should indicate the effectiveness of general credit control operations.

Gold certificate reserves vary directly with the nation's gold stock, the size of which depends on our gold policy. Since this policy is administered by the Secretary of the Treasury under the general rules set forth by Congress in the Gold Reserve Act of 1934 (and subsequent amendments), Federal Reserve authorities have no direct means of controlling the volume of gold certificate reserves. The volume of Federal Reserve notes outstanding is likewise outside of direct Federal Reserve control; the amount in circulation depends on the public's preference for hand-to-hand money versus bank deposits as a means of payment. Nor do Federal Reserve officials have any direct authority over the volume of Treasury, nonmember, or foreign deposits held by the Federal Reserve banks.

Development of credit controls. In the early years of the Federal Reserve System, discount policy was the primary credit control instrument, for variations in the Reserve Banks' discount rates were an effective, if indirect, means of controlling the volume of discounts and advances. In general, as the discount rate was lowered, discounts and advances would tend to expand and so would member bank reserves, thus promoting easier money conditions. Increases in discount rates tended to have the opposite effect. However, the volumes of discounts and advances have not been large since the early 1930's, and in recent years little control has been exerted through this route.

Through this process of elimination our conclusion becomes evident: To exert effective control over the amount of member bank reserves, Reserve authorities must operate through variations in the Reserve Banks' portfolios of U.S. Government securities. Such activities are commonly called *open market operations*, and purchases and sales are effected through the System account in New York City. Purchases of securities by the Federal Open Market Committee tend to increase member bank reserve balances, because the Federal Reserve funds will, in all probability, be deposited in a commercial bank, and the clearing operation will result in a credit to member bank reserves. Sales of securities tend to have opposite results.

The economic significance of the conclusion reached lies in the fact that if effective credit-control operations are to be pursued, the Federal Open Market Committee must be left free to adjust the System's holdings of U.S. Government securities as economic conditions warrant. If such freedom is lost as a result of either Treasury debt, management decisions, or political pressure, much more reliance will have to be placed on selective devices and direct controls as devices for achieving economic stability.

CHARLS E. WALKER

REVENUE RECEIPTS OF STATE COMPTROLLER

Source: State Comptroller of Public Accounts

Source	September 1–January 31 1951–52	1950–51	Percent change
Total	$270,686,321	$240,591,819	+ 13
Al valorem taxes	17,752,869	26,766,005	— 34
Natural and casinghead gas production taxes	6,829,102	5,186,444	+ 32
Crude oil production taxes	51,489,151	44,482,275	+ 16
Sulfur production taxes	2,849,649	2,749,506	+ 4
Insurance companies occupation taxes	31,222	224,785	— 86
Motor fuel taxes (net)	41,738,037	38,841,535	+ 7
Cigarette tax and licenses	14,247,058	13,700,039	+ 4
Alcoholic beverage taxes and licenses	8,695,391	8,100,327	+ 7
Automobile and other sales taxes	7,378,314	7,164,563	+ 3
Franchise taxes	418,870	710,182	— 41
Mineral leases, rentals, and bonuses	9,977,734	5,021,047	+ 99
Oil and gas royalties	7,487,203	6,799,886	+ 10
Interest on deposits	88,063	65,670	+ 34
Interest on securities owned	5,405,463	4,602,690	+ 17
Unclassified receipts from county tax collectors	5,370,524	3,196,132	+ 68
Motor vehicle licenses and permits	2,440,721	2,280,241	+ 7
Federal aid—highways	13,045,007	5,113,808	+155
Federal aid—public welfare	2,566,083	4,354,884	— 41
Federal aid—public education	11,109,414	9,137,771	+ 22
Unemployment compensation taxes	7,054,004	6,058,320	+ 16
All other receipts	54,712,442	46,035,709	+ 19

Retirement contribution data previously shown in this table are now included in a restricted fund, not state revenue.

LOANS MADE BY SAVINGS AND LOAN ASSOCIATIONS

Source: Federal Home Loan Bank of Little Rock

Type	Jan 1951	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
Number	2,505	2,133	2,245	+ 12	+ 17
Construction	534	434	539	— 1	+ 23
Purchase	892	689	761	+ 17	+ 29
Refinancing	256	194	193	+ 33	+ 32
Reconditioning	217	250	188	+ 15	— 13
Other	606	566	564	+ 7	+ 7
Value (thousands)	$12,021	$ 9,487	$10,187	+ 18	+ 27
Construction	3,399	2,760	3,740	— 9	+ 23
Purchase	4,713	3,704	3,733	+ 26	+ 27
Refinancing	1,375	823	943	+ 46	+ 67
Reconditioning	642	656	474	+ 35	— 2
Other	1,892	1,544	1,297	+ 46	+ 23

LABOR

Unemployment up seasonally. The rate of unemployment mounted during January in 16 key Texas cities. El Paso, the seventeenth regularly reporting city, gave no figures for the month. The trend was strongest in Fort Worth, where 7,400 were unemployed during January, 68% more than in December. Unemployment also rose strongly in San Angelo (+50%) and Austin (+43%). Other increases were more moderate.

ESTIMATES OF EMPLOYMENT IN TEXAS

(in thousands)

Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Classification	Jan 1952*	Dec 1951	Jan 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
All nonagricultural	2,104.8	2,161.8	1,993.0	+ 6	— 3
Manufacturing, total	411.5	414.0	378.3	+ 9	— 1
Durable goods	195.8	197.5	168.2	+ 16	— 1
Nondurable goods	215.7	216.5	210.1	+ 3	x
Nonmanufacturing, total	1,692.8	1,747.8	1,614.7	+ 5	— 3
Mining	115.4	114.9	104.6	+ 10	x
Construction	161.2	164.9	152.7	+ 6	— 2
Transportation and utilities	228.9	230.5	222.1	+ 3	— 1
Trade	553.2	589.3	533.9	+ 4	— 6
Wholesale trade	141.0	139.9	138.5	+ 2	+ 1
Retail trade	412.2	449.4	395.4	+ 4	— 8
Finance, insurance, and real estate	83.4	83.0	76.6	+ 9	x
Service and miscellaneous	235.4	236.7	231.5	+ 2	— 1
Government	315.3	328.5	293.2	+ 8	— 4

xChange is less than one half of one percent.
*Preliminary.

The Texas Employment Commission foresees a decline in aircraft production jobs due to revision of the nation's defense production schedule. The nation will now stretch its defense program over a longer period of time, although the number of planes, tanks and guns produced will not be cut back. Earlier this year it was predicted that the Texas aircraft industry would need 1,440 new workers by mid-May. Now, a decline of 1,150 workers from the current level is expected.

It is expected that following the midwinter dip in nonagricultural employment in Texas, another upward trend will top even the 2,622,500 mark set last December. The acceleration, however, may be slower than last year, for many defense establishments have already reached their planned maximum employment, and the first big construction jobs are now being completed.

The total nonagricultural labor force for the state expanded from December to January in only three cities. Austin's total was 50,375, Corpus Christi had 58,825 listed, and Texarkana, 42,150. San Angelo continued firm with 21,350.

Construction employment in the state is expected to hold up well during the coming year, for building contracts awarded since last June total over $52 million and many millions of dollars that will produce heavily for immediate military needs. San Antonio and Amarillo have maintained high employment due to construction of Air Force bases; but, they may decline now that the projects are nearing completion.

Houston employment increased seasonally by some 6,000 in December and dropped by about the same number in January. The long-term rise is expected to resume during February. Because the defense effort in Waco and Fort Worth has not yet reached its peak, employment in both cities may well expand in coming months. Beaumont and Port Arthur continue to register the highest unemployment rate in the state, but prospects are looking up in both cities as employment in shipbuilding and ship repair climbs sharply. Machinery, metal working, and petroleum refining have also shown gains there.

Labor relations brighten. Labor relations throughout Texas were fairly good during January and early February. A jurisdictional dispute stopped expansion work for a short time at Alcoa's Point Comfort plant near Port Lavaca, and its $80 million Rockdale project in Central Texas was all but stopped by another dispute. Two jurisdictional strikes which had halted work at the Reynolds Metals aluminum reduction plant site for a week were settled early in February.

BETTY ANDERSON

The Chart Book of Texas Business, 1952
(Third Edition)
to be published in the immediate future by the Bureau of Business Research, will include 38 spiral-bound charts on all phases of Texas business with extended grids to allow *Review* subscribers to keep them up-to-date through 1954. Advance orders for this $2.00 publication are now being accepted.

HOURS AND EARNINGS

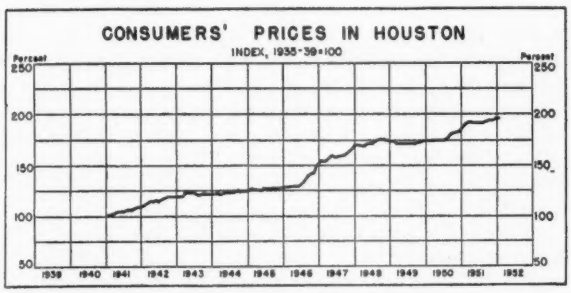
Source: Texas Employment Commission in cooperation with the Bureau of Labor Statistics, U. S. Department of Labor

Classification	Average weekly earnings: Jan 1952†	Dec 1951	Jan 1951	Average weekly hours: Jan 1952†	Dec 1951	Jan 1951	Average hourly earnings: Jan 1952†	Dec 1951	Jan 1951
All manufacturing	$ 63.90	$ 65.82	$ 60.63	42.6	43.3	42.7	$ 1.50	$ 1.52	$ 1.42
Durable goods, total	64.24	65.71	59.87	43.7	44.4	43.7	1.47	1.48	1.37
Nondurable goods, total	63.76	65.83	61.45	41.4	42.2	41.8	1.54	1.56	1.47
Nonmanufacturing									
Mining	87.17	87.43	80.15	45.4	45.3	43.8	1.92	1.93	1.83
Public utilities	56.80	56.80	53.33	40.0	40.0	39.8	1.42	1.42	1.34
Retail trade	50.16	48.70	44.80	44.0	43.1	43.5	1.14	1.13	1.03
Wholesale trade	64.09	66.84	64.53	44.2	46.1	43.9	1.45	1.45	1.47

Figures do not include proprietors, firm members, or other principal executives. All series were revised January 1951 and are not strictly comparable with previously published data.
†Preliminary—subject to revision upon receipt of additional reports.

PRICES

Inflation arrested during January. After two years of almost uninterrupted rise, retail prices, as measured by the Bureau of Labor Statistics' Consumers' Price Index, remained practically stationary during January. The national index, representing the prices of a selected "market-basket" of consumer goods and services rested at 189.1 from December 15 until January 15. In Houston, the only Texas city surveyed for this data, the weighted composite index of prices of all items changed less than one half of one percent, as did all component indexes except the one measuring miscellaneous consumer expenses, including medical and domestic services and supplies, transportation, and amusement. The average cost of these items in Houston dropped about 1% from December to January.



Across the nation during the December-January period, slight increases in prices of food, utilities, and miscellaneous goods and services were generally offset by cuts in clothing and housefurnishing costs. Woolens were substantially lower in price, and shoes and cotton garments also inched downward. A 0.5% dip in housefurnishing costs was attributed largely to January "white sales," which expunged some previous gains in the prices of household linens and other textile items. The food index, spearheaded by a 2.1% boost in fruit and vegetable prices, was up fractionally. Smaller increases were listed for meats, poultry, and fish, and for cereal and bakery products. Running counter to the trend in Houston, the national index for miscellaneous living costs was up 0.3% owing primarily to increases in hospital rates and motion picture admission prices.

Rising index boosts wages. The price movements already discussed are those gauged by the recently revised Consumers' Price Index series. However, the "old" C.P.I. series, also computed by the Bureau of Labor Statistics, is the one upon which many labor contracts base their cost-of-living escalator clauses. This economically significant index did rise between December 15 and January 15, just enough (0.1%) to allow a three-cent average hourly wage boost to more than a million workers. The two largest companies operating under such contracts, General Motors Corporation and the Ford Motor Company, immediately announced that they would pay the indicated wage hike with the approval of the federal Wage Stabilization Board. Both companies also announced proportionate pay raises for a total of about 100,000 salaried workers.

INDEXES OF CONSUMERS' PRICES

(1935–39 = 100)

Source: Bureau of Labor Statistics, U. S. Department of Labor

Index	Jan 15 1952*	Dec 15 1951	Jan 15 1951	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
United States, all items†	189.1	189.1	181.5	+ 4	0
Houston, all items†	195.4	196.0	190.1	+ 3	x
Food	241.4	241.2	236.0	+ 2	x
Clothing	220.5	221.4	216.8	+ 2	x
Fuel	98.5	98.5	98.6	x	0
Housefurnishings	206.1	205.7	200.1	+ 3	x
Misc. and good services	182.0	173.5	165.6	+ 4	— 1

*Preliminary.

†Comparison of indexes in different series (e.g. Houston and U.S.) does not show absolute relationships of prices in the areas or cities surveyed.

xChange is less than one half of one percent.

Deflation: Why and how much? Although retail prices continue fairly steady and rents are even edging upward, some conspicuous declines are appearing in wholesale commodity markets. Price control authorities, sellers, and buyers alike are at some loss for an explanation of the reverses, a prerequisite to charting their future actions and commitments. The shifts in commodity quotations have been mixed. Copper has clung to its ceiling price, but tin is down one third from its post-Korea peak, although still 60% more expensive than before the Korean outbreak. It has been widely asked why these apparently deflationary shifts in primary markets have not been more clearly reflected in the Consumers' Price Index. Partial explanation may lie in the fact that the official index does not take account of prices quoted by cut-rate retailers throughout the nation. Discount stores, for example, have widely offered 15 to 20% cuts in refrigerators, electric ranges, and most other appliances. Textile prices have also lost ground at wholesale considerably more than at retail level, and there is a general belief that the official index of retail clothing prices may continue its downtrend somewhat more sharply during coming weeks.

New BLS wholesale index. Five years of preparatory research and statistical experimentation came to an end at the close of February. The Bureau of Labor Statistics was ready to unveil its newly improved and enlarged model of the Index of Wholesale Prices. This new series will replace the 20-year-old index, which is reported for the last time in the table below. BLS statisticians announced that the revised index will be computed from a running survey of some 1,800 commodities, twice as many as the old index surveyed. This augmented cross-section of the price structure in the nation's primary markets is expected to give the index greater accuracy and stability.

Businessmen, the BLS claims, will find the revised series more useful as an economic yardstick for long-term materiel contracts and business plans. In much the same way that the wages of some 3.5 million workers are scaled to the Consumers' Price Index, business contracts involving billions of dollars include escalator clauses based on the Index of Wholesale Prices. Also, purchasing

agents watch the index as an indicator of what they should be paying for wholesale materials, and sellers consider it in setting their prices.

INDEXES OF WHOLESALE PRICES IN THE UNITED STATES
(1926=100)

Source: Bureau of Labor Statistics, U. S. Department of Labor

Group	Jan 29 1952*	Jan 1 1952	Jan 30 1951	Percent change: Jan 29 1952 from Jan 30 1951	Percent change: Jan 29 1952 from Jan 1 1952
All commodities	176.3	177.2	182.1	— 3	— 1
Farm products	190.8	193.7	198.3	— 4	— 1
Foods	185.8	189.2	184.2	+ 1	— 2
All commodities other than farm and foods	165.2	165.4	171.7	— 4	x

*Preliminary.
xChange is less than one half of one percent.

Many long-term purchasing commitments are designed to follow the fluctuations of the Index of Wholesale Prices. For instance, real estate leases and sales of large-scale capital equipment are often made on the basis of fixed prices adjusted up or down according to the movements of the wholesale index. Most long-term government procurement contracts are based on the wholesale tabulation, and the U. S. Maritime Administration has negotiated for the construction of many ships for a delivered price to be keyed to the wholesale steel price index.

The one readily apparent difference between the new index and the old will be the absolute figure by which it indicates the level of wholesale prices. The old series, based on prices in 1926, recently stood at 176.3% of its base period. The new series was expected, late in February, to open at about 114% of its 1947–49 base period.

A less apparent difference lies in the thorough revision of the formulas for weighting particular commodities. Since the time of the wholesale pattern to which the old index was fitted, drastic changes have come about in the economic life of the United States. The streamlined wholesale index, accordingly, is weighted from data on sales in 1947, the latest year for which a national census of manufactures is available.

In doubling the number of items surveyed for the index, the Bureau of Labor Statistics included some new products—such things as television equipment, antibiotic drugs, frozen foods, and synthetic textiles and rubber—and expanded coverage of some already established categories. However no major groups were dropped from the tabulation.

The behavior of the new index remains to be seen. BLS statisticians expect no major deviation from the course the old index would take were it continued. Some added stability may result from the inclusion of a greater number of highly processed goods. However, a graph of the two indexes running from 1947 through 1951 shows them to be relatively parallel.

Beginning with the March issue, this column will regularly include a table and discussion of the revised Index of Wholesale Prices.

ROBERT H. RYAN.

Notes on The Industrialization of Texas:

THE PATTERN OF TEXAS COTTON MILLING

(see map on cover)

The possibility of establishing a cotton textile manufacturing industry in Texas has intrigued the business leaders of the state since the end of the Civil War, when people all over the South were seeking means to rebuild a region devastated by years of war. Cotton exports had been wiped out by the Union blockade, by foreign competition, and by the lack of manpower at home. After the war, the South had neither the capital, technical leadership, nor labor skills to develop any sort of manufacturing economy. All that was plentiful was unskilled labor.

But the need for nonagricultural development was patent, and southern leaders sought to foster industries based on cotton and timber. An industrial exposition at Atlanta in the 1890's created widespread interest in cotton manufacturing. At the same time, the introduction of the improved Northrop loom gave impetus to development of the industry in the South, for the northern mills were reluctant to adopt it. The southward migration of the mills began.

The same interest in Texas locations was manifest, and between 1890 and 1926 twenty-five mills were established in Texas. Here, as in New England and the Southeast, the principal factors determining location seem to have been the availability of capital, and also of labor and water. Technical skill was imported.

Capital to build plants was frequently subscribed by local citizens at large, but was even more often provided by one or a few local individuals interested in the venture. The capital market is seldom interested in developing new industry in an unproved area.

The first mill was built about 1850 at New Braunfels on the Comal River, probably with the idea of taking advantage of the great Comal Spring water supply. Later mills, many of which are still operating, were mostly established during the prosperous periods before the depressions of 1893, 1907, and following World War I. They were located in small towns along the railroads from Sherman and Denison to San Antonio and eastward to Houston. This north-south pattern follows the Balcones fault zone, from which flow the big springs at Austin, San Marcos, New Braunfels, San Antonio, and Comstock. Coal for power, to be had near many of the towns, was later to be supplanted by natural gas and electricity.

Labor, one of the most potent factors in the development of the great mill centers of New England and the Southeast appears to have been a less important determinant in the location of the Texas mills. None employ more than around 700 workers, and most of them are in one-industry towns.

Furthermore, the petroleum industry, which was also developing in Texas from 1900 on, attracted male labor with high wages, and well-paid men withdrew their wives and daughters from the mill-labor market. The petroleum industry also attracted much of the available capital in the state. It promised more lucrative returns than cotton

manufacturing to the capitalist with funds to invest. Further, most of the local capital was invested in agricultural land and equipment, which is difficult to liquidate.

It is interesting to note that until 1929 oil was produced in only six of the counites where cotton mills were established. This suggests that communities producing no oil were more active in seeking cotton mills to furnish needed employment for both men and women.

The major market for the simple cotton goods from most Texas mills lies outside the state today as in the past. A recent survey of Texas work-clothing makers indicated that only two percent of their raw materials was made in Texas. Consequently, market is relatively inactive as a factor in location.

COTTON TEXTILE MANUFACTURING—UNITED STATES AND TEXAS

Source: U. S. Department of Commerce, Bureau of the Census, *Cotton Production and Distribution*, Bulletins 178 and 187.

Item	United States	Texas	Texas percent of U.S.
1929			
Number of establishments	1,502	27	1.68
Production workers	441,000	4,817	1.42
Value added (thousands)	$ 626,148	$ 7,385	1.13
Raw cotton consumed (bales)	7,091,065	121,051	1.82
Spindles in place†	34,417,036	282,324	.95
Active spindles†	32,417,036	255,200	.94
1947			
Number of establishment	1,574*	20*	1.27
Production workers	469,241*	5,861*	1.25
Value added (thousands)	$ 1,064,748*	$ 20,457*	1.92
Raw cotton consumed (bales)	10,024,811	199,541	1.99
Spindles in place†	23,824,000	230,000	.96
Active spindles†	21,383,000	212,000	.99

*Figure not comparable with corresponding 1929 figure owing to revised tabulation.

†As of July 31, 1947.

The mills of Texas are small when compared to the great mills of the Southeast. The greatest consumption by any one plant is 15,000 bales a year by the Itasca Mills. None of them are really integrated, for small, widely scattered mills hardly lend themselves to integration. The New Braunfels Mills, with the greatest number of spindles and looms, may come nearest to being integrated. Most companies restrict themselves to weaving osnaburgs, ducks, sheetings, and denims and sell through sales agents in the Northeast.

It is interesting to examine the locations of the mills in Texas that are no longer operating. These locations include El Paso, Bowie, Marble Falls, Waxahachie, Belton, Fort Worth, San Marcos, and Galveston. Several of these cities lie within the pattern of Texas mill cities, but others, especially El Paso, lie outside it. Why are these mills no longer in use? The cause might easily be attributed to some such factor as remoteness, lack of adequate transportation, or lack of labor; but this would be speculative unless one could delve into the history of each plant. One plant that lies completely outside the pattern, the Postex Mills in the South Plains, has been operating since 1913, long before the area became noted for cotton growing.

With many factors fairly equal, one is led to think that operation of these defunct plants may have proven unprofitable because of improper management or inadequate capital. Certainly these two locational factors are as decisive—perhaps more important for the smaller mills, whose existence is precarious—as is that of labor. Managerial personnel and capital are harder to get and to keep. Experienced managers and supervisors are reluctant to leave the better-established mill centers of the Southeast, and local bankers, who are looked to for short-term loans, are frequently unfamiliar with cotton manufacture.

In order to survive in so competitive an industry as cotton textiles, a concern must have expert management as well as favorable location. Good plant sites for cotton mills can be found in Texas, but the economic factors involved militate against the development of the industry. Notably, while the mill movement to the Southeast continues, no such movement toward Texas is evident. Not a single cotton mill has been established in Texas in recent years. In fact, the cotton textile industry is not an expanding industry, despite the movement to the Southeast. The tendency toward integration today makes capital requirements prohibitive for the small plant.

Perhaps technological changes, especially the rapid development of petroleum chemistry, may offer rewards in textiles other than cotton. Certainly cotton textiles face increased competition from the synthetic-fiber textiles now being made. And, unfortunately for cotton, these fibers suffer from none of the agricultural weaknesses inherent in the cotton manufacturing complex.

For a possible textile industry Texas might well look to the man-made fibers, although capital requirements are enormous. Intermediates for synthetic fibers are already in production at Bishop, Orange, and elsewhere in the state, and more installations are projected. The synthesized polymer fibers, such as nylon and vinyon, apparently promise a better future than cotton textiles.

Another industry that has grown rapidly in late years is garment making. The women's and children's clothing industries have increased phenomenally in Texas. With increasing population and industrialization, there is every reason to expect continuing expansion, and Texas communities need to rely on such industries for maximum employment and industrial progress.

GUS F. WHITE

The 1952 edition of the

Directory of Texas Manufacturers

will be published in the near future by the Bureau of Business Research. This directory, the only complete listing of Texas manufacturers, classifies all firms by products and by cities, and gives accurate addresses, names of executives and numbers of employees. It also includes information on cities, covering transportation, population, value added by manufacture, and area resources. Advance orders for this directory, which is priced at $3.50, are now being accepted.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
ABILENE: (pop. 45,570)			
Retail sales	———	− 23	− 32
Department and apparel stores	———	x	− 46
Postal receipts	$ 64,457	+ 16	− 18
Building permits	$ 620,500	− 27	+184
Bank debits (000's)	$ 56,489	− 4	+ 2
End-of-month deposits (000's)*	$ 55,227	+ 7	− 4
Annual rate of deposit turnover	12.0	− 10	+ 1
Placements in employment	504	− 23	+ 1
Nonagricultural civilian labor force	23,700	+ 7	x
Unemployment	1,000	0	+ 11
Percent of labor force unemployed	4.2	− 7	+ 11
Air express shipments	209	− 22	− 44
AMARILLO: (pop. 74,246)			
Retail sales	———	− 10	− 31
Apparel stores	———	− 3	− 50
Automotive stores	———	− 19	− 7
Drug stores	———	+ 2	− 24
Food stores	———	+ 15	− 26
Office, store, and school supply dealers	———	+ 14	− 12
Postal receipts	$ 117,485	+ 25	− 25
Building permits	$ 1,858,131	− 29	+ 21
Bank debits (000's)	$ 141,510	+ 3	− 2
End-of-month deposits (000's)*	$ 114,419	+ 14	− 2
Annual rate of deposit turnover	14.8	− 10	− 3
Placements in employment	1,404	+ 21	− 3
Nonagricultural civilian labor force	42,200	+ 13	x
Unemployment	1,350	− 18	+ 23
Percent of labor force unemployed	3.2	− 27	+ 23
Air express shipments	385	− 23	− 49
BAYTOWN: (pop. 22,983)			
Postal receipts	$ 15,469	+ 9	− 38
Building permits	$ 401,690	− 34	− 21
Bank debits (000's)	$ 17,941	+ 16	+ 6
End-of-month deposits (000's)*	$ 18,322	+ 10	+ 1
Annual rate of deposit turnover	11.8	+ 7	+ 4
Placements in employment (area)	5,824	+ 18	+ 1
Nonagricultural civilian labor force (area)	349,400	+ 3	− 1
Unemployment (area)	8,100	− 13	+ 16
Percent of labor force unemployed (area)	2.3	− 15	+ 15
BIG SPRING: (pop. 17,286)			
Retail sales	———	− 7	− 9
Department and apparel stores	———	+ 5	− 38
Postal receipts	$ 18,008	+ 5	− 28
Building permits	$ 376,870	− 37	+112
Bank debits (000's)	$ 23,725	− 8	+ 8
End-of-month deposits (000's)*	$ 26,775	− 4	− 5
Annual rate of deposit turnover	10.4	− 13	+ 12
Placements in employment	249	+ 53	+ 20
Air express shipments	46	− 2	− 15
BRADY: (pop. 5,944)			
Postal receipts	$ 5,542	+ 29	+ 2
Building permits	$ 47,350	− 40	+ 44
Bank debits (000's)	$ 4,977	− 10	− 2
End-of-month deposits (000's)*	$ 7,393	− 4	− 5
Annual rate of deposit turnover	7.9	− 6	+ 1

For explanation of symbols, see p. 23.

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
AUSTIN: (pop. 132,459)			
Retail sales	———	− 18	− 31
Apparel stores	———	− 3	− 39
Automotive stores	———	− 26	+ 1
Eating and drinking places	———	+ 37	+ 15
Filling stations	———	− 9	+ 5
Food stores	———	+ 4	− 8
Furniture and household appliance stores	———	− 16	− 44
Lumber, building material, and hardware stores	———	− 19	− 17
Postal receipts	$ 202,475	+ 23	− 19
Building permits	$ 1,480,135	− 58	+ 4
Bank debits (000's)	$ 197,788	+ 1	+ 55
End-of-month deposits (000's)*	$ 126,092	+ 9	+ 12
Annual rate of deposit turnover	19.8	− 3	+ 49
Placements in employment	1,175	− 4	+ 6
Nonagricultural civilian labor force	50,375	+ 4	+ 1
Unemployment	2,375	+ 9	+ 43
Percent of labor force unemployed	4.7	+ 4	+ 42
Air express shipments	490	− 10	− 37
BEAUMONT: (pop. 94,014)			
Retail sales	———	− 11	− 35
Apparel stores	———	− 3	− 47
Automotive stores	———	− 23	− 8
Eating and drinking places	———	+ 14	x
Furniture and household appliance stores	———	− 14	− 42
General merchandise stores	———	+ 1	− 59
Lumber, building material, and hardware stores	———	− 7	+ 10
Postal receipts	$ 74,123	+ 14	− 57
Building permits	$ 1,174,643	+ 28	+601
Bank debits (000's)	$ 129,002	+ 11	− 3
End-of-month deposits (000's)*	$ 99,310	+ 5	− 3
Annual rate of deposit turnover	15.4	+ 5	− 6
Placements in employment (area)	2,019	+ 49	+ 26
Nonagricultural civilian labor force (area)	77,100	+ 1	− 3
Unemployment (area)	5,500	− 23	+ 9
Percent of labor force unemployed (area)	7.1	− 24	+ 13
Air express shipments	313	− 25	− 36
Waterborne commerce (tons)	35,606	+ 13	− 15
BRENHAM: (pop. 6,941)			
Postal receipts	$ 6,466	− 5	+ 16
Building permits	$ 41,030	− 33	− 33
Bank debits (000's)	$ 6,448	+ 2	+ 7
End-of-month deposits (000's)*	$ 10,452	+ 5	− 3
Annual rate of deposit turnover	7.3	0	+ 11
Placements in employment	88	———	− 40
BROWNSVILLE: (pop. 36,066)			
Retail sales	———	− 22	− 23
Postal receipts	$ 21,668	− 5	− 26
Placements in employment	520	+ 65	− 2
Air express shipments	499	+ 39	+ 5
Waterborne commerce (tons)	77,147	+ 20	+ 6
BRYAN: (pop. 18,102)			
Department and apparel store sales	———	+ 5	− 42
Postal receipts	$ 14,526	+ 18	− 33
Building permits	$ 259,455	+104	+306
Placements in employment	231	+ 43	− 11
Air express shipments	14	− 55	− 36

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
BROWNWOOD: (pop. 20,181)			
Retail sales	.....	— 11	— 32
Department and apparel stores	.....	+ 9	— 41
Postal receipts	$ 16,007	+ 23	— 28
Building permits	$ 35,285	— 96	— 45
Placements in employment	122	— 14	+ 10
Air express shipments	25	— 32	— 22
CORPUS CHRISTI: (pop. 108,287)			
Retail sales	.....	— 8	— 32
Apparel stores	.....	+ 5	— 36
Automotive stores	.....	— 23	— 10
Department store sales†	.....	+ 12	— 55
Food stores	.....	+ 12	+ 23
Lumber, building material, and hardware stores	.....	— 13	— 23
Postal receipts	$ 116,967	+ 29	— 28
Building permits	$ 1,180,689	— 67	+ 61
Bank debits (000's)	$ 145,551	+ 23	+ 7
End-of-month deposits (000's)*	$ 102,913	+ 7	— 3
Annual rate of deposit turnover	16.7	+ 13	+ 6
Placements in employment	1,592	+ 8	— 2
Nonagricultural civilian labor force	58,825	+ 3	x
Unemployment	2,125	— 27	+ 21
Percent of labor force unemployed	3.6	— 29	+ 20
Air express shipments	445	+ 14	— 34
Waterborne commerce (tons)	2,372	+ 2	x
CORSICANA: (pop. 19,211)			
Department and apparel store sales	.....	— 9	— 54
Postal receipts	$ 14,079	+ 19	— 65
Building permits	$ 37,259	— 71	— 64
Bank debits (000's)	$ 15,663	— 8	— 8
End-of-month deposits (000's)*	$ 22,320	+ 3	— 3
Annual rate of deposit turnover	8.3	— 10	— 8
Placements in employment	141	— 27	— 19
DALLAS: (pop. 434,462)			
Retail sales	.....	+ 1	— 32
Apparel stores	.....	— 8	— 45
Automotive stores	.....	— 23	— 27
Department store sales†	.....	— 10	— 50
Drug stores	.....	+ 4	— 12
Eating and drinking places	.....	+ 30	+ 3
Filling stations	.....	+ 9	— 6
Florists	.....	+ 32	— 32
Food stores	.....	+ 8	— 34
Furniture and household appliance stores	.....	— 2	— 1
Liquor stores	.....	— 9	— 25
Lumber, building material, and hardware stores	.....	— 23	+ 12
Office, store, and school supply dealers	.....	+ 1	+ 6
Postal receipts	$ 1,385,661	+ 16	— 16
Building permits	$ 5,687,143	— 63	+ 37
Bank debits (000's)	$ 1,563,255	x	— 10
End-of-month deposits (000's)*	$ 1,003,104	+ 10	— 3
Annual rate of deposit turnover	18.4	— 10	— 8
Placements in employment	5,645	— 6	+ 5
Nonagricultural civilian labor force	282,800	+ 5	— 1
Unemployment	5,600	+ 12	+ 37
Percent of labor force unemployed	2.0	+ 5	+ 43
Air express shipments	8,986	— 1	— 14

For explanation of symbols, see p. 23.

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
CISCO: (pop. 5,230)			
Postal receipts	$ 4,323	+ 10	— 11
Bank debits (000's)	$ 2,216	— 3	+ 2
End-of-month deposits (000's)*	$ 4,152	+ 15	+ 1
Annual rate of deposit turnover	6.4	— 16	+ 2
DEL RIO: (pop. 14,211)			
Postal receipts	$ 8,874	+ 17	— 25
Building permits	$ 20,485	+110	+ 5
Bank debits (000's)	$ 6,214	— 22	— 10
End-of-month deposits (000's)*	$ 10,125	+ 3	— 7
Annual rate of deposit turnover	7.1	— 25	— 5
Air express shipments	32	— 66	— 22
DENISON: (pop. 17,504)			
Department and apparel store sales	.....	— 12	— 50
Postal receipts	$ 13,656	+ 3	— 31
Building permits	$ 36,682	— 39	+ 6
Bank debits (000's)	$ 12,927	+ 49	+ 18
End-of-month deposits (000's)*	$ 10,540	— 8	— 24
Annual rate of deposit turnover	12.7	+ 48	+ 18
Placements in employment	308	+ 25	— 40
DENTON: (pop. 21,372)			
Department and apparel store sales	.....	— 7	— 60
Postal receipts	$ 20,634	+ 15	— 13
Building permits	$ 130,800	— 30	+ 45
Bank debits (000's)	$ 10,505	—	x
End-of-month deposits (000's)*	$ 12,444	—	— 1
Annual rate of deposit turnover	10.1	—	+ 1
Placements in employment	40	+ 38	+ 25
EDINBURG (pop. 12,383)			
Postal receipts	$ 8,449	+ 19	— 25
Building permits	$ 48,527	+ 9	— 65
Bank debits (000's)	$ 9,659	+ 6	+ 19
End-of-month deposits (000's)*	$ 9,158	+ 7	— 3
Annual rate of deposit turnover	12.5	+ 2	+ 23
Placements in employment	1,030	+119	+ 36
Air express shipments	4	— 69	— 60
EL PASO: (pop. 130,485)			
Retail sales	.....	— 17	— 27
Apparel stores	.....	+ 7	— 53
Automotive stores	.....	— 33	+ 18
Department store sales†	.....	— 9	— 52
Drug stores	.....	+ 7	— 27
Furniture and household appliance stores	.....	— 5	— 23
General merchandise stores	.....	— 4	— 52
Lumber, building material, and hardware stores	.....	— 23	+ 26
Office, store, and school supply dealers	.....	+ 3	+ 19
Postal receipts	$ 195,394	+ 14	— 15
Building permits	$ 814,880	— 55	+ 89
Bank debits (000's)	$ 192,849	— 3	— 6
End-of-month deposits (000's)*	$ 146,403	+ 3	— 2
Annual rate of deposit turnover	15.6	— 11	— 3
Placements in employment	1,588	+ 7	+ 18
Air express shipments	1,284	— 15	— 23

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
FORT WORTH: (pop. 278,778)			
Retail sales	———	− 1	− 31
Apparel stores	———	− 5	− 36
Automotive stores	———	− 17	− 22
Department store sales†	———	− 12	− 55
Eating and drinking places	———	+ 10	+ 3
Filling stations	———	− 8	− 14
Food stores	———	+ 1	− 5
Furniture and household appliance stores	———	− 33	− 27
Lumber, building material, and hardware stores	———	− 8	− 53
Postal receipts	$ 459,808	+ 6	− 32
Building permits	$ 2,979,343	− 27	+ 88
Bank debits (000's)	$ 519,347	+ 7	− 3
End-of-month deposits (000's)*	$ 369,764	+ 9	− 3
Annual rate of deposit turnover	16.7	− 4	− 2
Placements in employment	3,889	− 24	x
Nonagricultural civilian labor force	168,200	+ 11	− 1
Unemployment	7,400	+ 35	+ 68
Percent of labor force unemployed	4.4	+ 22	+ 69
Air express shipments	2,243	+ 1	− 5
GALVESTON: (pop. 66,568)			
Retail sales	———	+ 4	− 36
Apparel stores	———	+ 2	− 55
Food stores	———	+ 3	− 4
Furniture and household appliance stores	———	+ 4	− 20
Lumber, building material, and hardware stores	———	+ 21	+ 47
Postal receipts	$ 69,099	+ 15	− 35
Building permits	$ 165,340	− 55	− 31
Bank debits (000's)	$ 81,535	+ 9	− 4
End-of-month deposits (000's)*	$ 101,957	+ 4	+ 2
Annual rate of deposit turnover	9.7	+ 7	− 5
Placements in employment (area)	929	+ 59	+ 4
Nonagricultural civilian labor force (area)	51,100	+ 5	x
Unemployment (area)	1,700	− 11	+ 3
Percent of labor force unemployed (area)	3.3	− 15	+ 3
Air express shipments (area)	229	− 36	− 45
GONZALES: (pop. 5,659)			
Building permits	$ 20,900	− 78	+404
Bank debits (000's)	$ 6,050	+ 15	+ 13
End-of-month deposits (000's)*	$ 6,564	+ 7	− 5
Annual rate of deposit turnover	10.8	+ 6	+ 15
GREENVILLE: (pop. 14,727)			
Retail sales	———	+ 27	− 20
Department and apparel stores	———	+ 19	− 61
Postal receipts	$ 16,765	+ 19	− 31
Building permits	$ 54,600	+125	− 34
Placements in employment	315	+ 62	− 2
Air express shipments	17	———	− 15
LAMPASAS: (pop. 4,869)			
Postal receipts	$ 2,756	− 24	− 64
Building permits	$ 39,550	+ 5	+126
Bank debits (000's)	$ 4,460	− 1	+ 9
End-of-month deposits (000's)*	$ 6,356	− 1	− 2
Annual rate of deposit turnover	8.3	0	+ 11

For explanation of symbols, see p. 23.

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
HARLINGEN: (pop. 23,229)			
Postal receipts	$ 20,888	+ 8	− 23
Building permits	$ 456,310	+116	+270
Bank debits (000's)	$ 26,330	+ 1	+ 6
End-of-month deposits (000's)*	$ 20,692	− 1	− 8
Annual rate of deposit turnover	15.0	+ 3	+ 15
Placements in employment	372	+ 11	− 31
Air express shipments	63	+ 7	− 41
HENDERSON: (pop. 6,833)			
Department and apparel store sales	———	+ 7	− 41
Postal receipts	$ 9,336	+ 22	− 29
Building permits	$ 24,700	− 87	+ 9
Bank debits (000's)	$ 5,772	+ 5	+ 2
End-of-month deposits (000's)*	$ 17,257	+ 27	+ 19
Annual rate of deposit turnover	4.4	− 2	− 6
Placements in employment	123	− 15	− 18
HOUSTON: (pop. 596,163)			
Retail sales	———	− 6	− 22
Apparel stores	———	− 6	− 36
Automotive stores	———	− 25	− 8
Department store sales†	———	+ 4	− 52
Drug stores	———	+ 16	− 23
Eating and drinking places	———	+ 9	x
Filling stations	———	+ 7	− 2
Food stores	———	+ 4	− 12
Furniture and household appliance stores	———	− 5	− 26
Liquor stores	———	− 17	− 59
Lumber, building material, and hardware stores	———	− 23	− 2
Postal receipts	$ 836,238	+ 17	− 28
Building permits	$ 9,231,032	− 48	+ 7
Bank debits (000's)	$ 1,630,345	+ 12	− 4
End-of-month deposits (000's)*	$ 1,129,619	+ 4	− 3
Annual rate of deposit turnover	17.0	+ 3	− 4
Placements in employment (area)	5,826	+ 18	+ 1
Nonagricultural civilian labor force (area)	349,400	+ 3	− 1
Unemployment (area)	8,100	− 13	+ 16
Percent of labor force unemployed (area)	2.3	− 15	+ 15
Air express shipments	4,714	− 11	− 14
LAMESA: (pop. 10,704)			
Postal receipts	$ 8,829	+ 20	− 43
Building permits	$ 200,150	− 34	+465
Bank debits (000's)	$ 14,364	− 32	− 21
End-of-month deposits (000's)*	$ 18,212	− 20	− 2
Annual rate of deposit turnover	9.4	− 16	− 21
Placements in employment	138	− 25	+ 22
LONGVIEW: (pop. 24,502)			
Postal receipts	$ 24,555	+ 11	− 31
Building permits	$ 1,113,063	+ 59	+ 74
Bank debits (000's)	$ 35,079	+ 35	+ 3
End-of-month deposits (000's)*	$ 34,523	+ 8	− 9
Annual rate of deposit turnover	11.6	+ 18	+ 5
Placements in employment	467	− 8	+ 8
Nonagricultural civilian labor force	24,125	+ 6	− 1
Unemployment	1,075	− 20	+ 10
Percent of labor force unemployed	4.5	− 24	+ 13
Air express shipments	104	− 47	− 42

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
LAREDO: (pop. 51,910)			
Department and apparel store sales	.....	+ 32	— 40
Building permits	$ 32,380	— 68	— 21
Bank debits (000's)	$ 22,215	— 4	+ 1
End-of-month deposits (000's)*	$ 22,654	+ 5	— 3
Annual rate of deposit turnover	11.6	— 8	+ 2
Placements in employment	194	— 4	— 6
Air express shipments	280	+ 27	— 14
Tourists entering Mexico	11,041	+ 14	— 3
Tourist cars entering Mexico	3,620	+ 9	— 15
LOCKHART: (pop. 5,573)			
Postal receipts	$ 3,146	+ 14	— 36
Building permits	$ 10,900	— 77	— 14
Bank debits (000's)	$ 3,572	+ 9	— 5
End-of-month deposits (000's)*	$ 4,734	— 6	— 3
Annual rate of deposit turnover	8.9	+ 16	— 8
LUBBOCK: (pop. 71,747)			
Retail sales	.....	— 7	— 23
Apparel stores	.....	— 10	— 54
Automotive stores	.....	— 9	+ 1
Furniture and household appliance stores	.....	— 23	— 25
General merchandise stores	.....	+ 8	— 43
Lumber, building material, and hardware stores	.....	— 28	+ 36
Postal receipts	$ 87,818	+ 23	— 20
Building permits	$ 1,125,153	— 46	+ 42
Bank debits (000's)	$ 135,895	+ 2	— 13
End-of-month deposits (000's)*	$ 106,052	+ 5	— 6
Annual rate of deposit turnover	14.9	— 2	— 14
Placements in employment	968	— 4	— 4
Nonagricultural civilian labor force	31,100	+ 2	— 3
Unemployment	950	+ 6	+ 12
Percent of labor force unemployed	3.1	+ 3	+ 19
Air express shipments	275	— 24	— 47
LUFKIN: (pop. 15,135)			
Postal receipts	$ 14,505	+ 15	— 16
Building permits	$ 120,300	— 6	+209
Bank debits (000's)	$ 15,592	+ 1	— 16
End-of-month deposits (000's)*	$ 19,171	+ 9	— 1
Annual rate of deposit turnover	9.7	— 8	— 16
Placements in employment	161	— 9	— 1
Air express shipments	40	— 26	+ 5
McALLEN: (pop. 20,067)			
Retail sales	.....	— 21	— 33
Postal receipts	$ 17,311	+ 10	— 26
Building permits	$ 65,350	— 62	+153
Placements in employment	573	+ 15	+ 22
Air express shipments	56	+ 17	— 30
MARLIN: (pop. 7,099)			
Postal receipts	$ 7,087	+ 29	— 11
Building permits	$ 57,600	— 12	+354
Bank debits (000's)	$ 3,320	.....	— 6
End-of-month deposits (000's)*	$ 5,410	.....	+ 3
Annual rate of deposit turnover	7.5	.....	— 7
Placements in employment	54	.....	— 16

For explanation of symbols, see p. 23.

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
MARSHALL: (pop. 22,327)			
Retail sales	.....	— 4	— 46
Department and apparel stores	.....	x	— 66
Postal receipts	$ 18,204	+ 19	— 22
Building permits	$ 63,687	+ 5	+505
Bank debits (000's)	$ 13,606	+ 9	+ 3
End-of-month deposits (000's)*	$ 19,548	x	— 2
Annual rate of deposit turnover	8.3	+ 9	+ 2
Placements in employment	238	— 30	— 25
MIDLAND: (pop. 21,713)			
Postal receipts	$ 39,272	+ 25	— 36
Bank debits (000's)	$ 62,784	+ 53	+ 27
End-of-month deposits (000's)*	$ 78,596	+ 76	+ 26
Annual rate of deposit turnover	10.7	+ 27	+ 10
Placements in employment	847	+110	+ 7
Air express shipments	227	— 22	— 41
MINERAL WELLS: (pop. 7,801)			
Building permits	$ 88,585	+292	+ 9
Bank debits (000's)	$ 5,949	+ 14	+ 23
End-of-month deposits (000's)*	$ 9,728	+ 8	— 3
Annual rate of deposit turnover	7.2	+ 1	+ 18
Placements in employment	75	+103	+ 29
NACOGDOCHES: (pop. 12,327)			
Bank debits (000's)	$ 9,418	x	— 1
End-of-month deposits (000's)*	$ 14,586	x	— 1
Annual rate of deposit turnover	7.7	— 1	— 3
Placements in employment	85	— 12	— 8
Air express shipments	10	.....	— 17
ODESSA: (pop. 29,495)			
Retail sales	.....	+ 4	— 8
Postal receipts	$ 360,916	+ 32	— 28
Building permits	$ 1,322,475	+ 2	+ 66
Bank debits (000's)	$ 89,211	+ 35	+ 13
End-of-month deposits (000's)*	$ 87,180	+ 39	+ 6
Annual rate of deposit turnover	13.0	0	+ 7
Placements in employment	629	+ 54	+ 7
Air express shipments	191	+ 24	— 37
PARIS: (pop. 21,643)			
Retail sales	.....	— 32	— 38
Department and apparel stores	.....	x	— 66
Postal receipts	$ 15,369	+ 41	— 27
Building permits	$ 20,400	— 84	— 37
Bank debits (000's)	$ 14,209	— 2	— 7
End-of-month deposits (000's)*	$ 14,759	+ 2	— 4
Annual rate of deposit turnover	11.3	+ 5	— 7
Placements in employment	306	— 13	— 32
Air express shipments	36	— 10	— 28
PLAINVIEW: (pop. 14,044)			
Retail sales	.....	— 10	— 16
Department and apparel stores	.....	— 1	— 54
Postal receipts	$ 13,053	+ 16	— 32
Building permits	$ 92,500	— 65	+137
Bank debits (000's)	$ 23,645	+ 13	— 19
End-of-month deposits (000's)*	$ 23,374	+ 20	+ 4
Annual rate of deposit turnover	12.4	— 2	— 25
Placements in employment	92	— 15	— 4
Air express shipments	24	— 44	— 62

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
PORT ARTHUR: (pop. 57,370)			
Retail sales		− 10	− 22
Automotive stores		− 21	− 1
Department and apparel stores		− 5	− 51
Eating and drinking places		+ 5	x
Filling stations		− 42	− 25
Food stores		+ 4	− 23
Furniture and household appliance stores		− 12	− 42
Lumber, building material, and hardware stores		+ 12	+ 23
Postal receipts	$ 36,735	+ 20	− 40
Building permits	$ 139,140	− 68	− 72
Bank debits (000's)	$ 49,810	+ 19	+ 6
End-of-month deposits (000's)*	$ 44,614	+ 10	x
Annual rate of deposit turnover	13.4	+ 8	+ 6
Placements in employment (area)	2,019	+ 49	+ 26
Nonagricultural civilian labor force (area)	77,100	+ 1	− 3
Unemployment (area)	5,500	− 23	+ 9
Percent of labor force unemployed (area)	7.1	− 24	+ 13
Air express shipments	141	− 1	− 40
RAYMONDVILLE: (pop. 9,136)			
Postal receipts	$ 5,142	+ 5	− 33
Building permits	$ 17,250	− 84	+570
Bank debits (000's)	$ 6,009	+ 6	+ 13
End-of-month deposits (000's)*	$ 11,267	+ 51	− 2
Annual rate of deposit turnover	6.3	− 30	− 3
Placements in employment	185	+ 21	+ 68
SAN ANGELO: (pop. 52,093)			
Retail sales		− 17	− 37
Department and apparel stores		x	− 45
Postal receipts	$ 48,370	+ 16	− 31
Building permits	$ 937,725	− 29	+ 35
Bank debits (000's)	$ 42,250	− 7	+ 1
End-of-month deposits (000's)*	$ 53,909	+ 2	− 3
Annual rate of deposit turnover	9.2	− 12	+ 1
Placements in employment	604	+ 9	− 3
Nonagricultural civilian labor force	21,350	+ 3	0
Unemployment	1,050	+ 31	+ 50
Percent of labor force unemployed	4.9	+ 26	+ 48
Air express shipments	248	− 35	− 42
SHERMAN: (pop. 20,150)			
Retail sales		x	− 21
Department and apparel stores		− 6	− 53
Postal receipts	$ 20,941	+ 5	− 35
Building permits	$ 85,661	− 52	+139
Placements in employment	260	+ 17	+ 81
SEGUIN: (pop. 9,733)			
Building permits	$ 42,500	− 57	− 20
Bank debits (000's)	$ 7,662	+ 16	+ 10
End-of-month deposits (000's)*	$ 10,091	+ 8	− 3
Annual rate of deposit turnover	9.0	+ 7	+ 11
SWEETWATER: (pop. 13,619)			
Postal receipts	$ 13,670	+ 5	− 32
Building permits	$ 87,800	− 67	+128
Placements in employment	109	+ 1	− 15
Air express shipments	37	− 8	− 24

For explanation of symbols, see p. 23.

City and item	Jan 1952	Percent change: Jan 1952 from Jan 1951	Percent change: Jan 1952 from Dec 1951
SAN ANTONIO: (pop. 408,442)			
Retail sales		+ 2	− 18
Apparel stores		− 2	− 39
Automotive stores		− 30	− 9
Department store sales†		+ 2	− 43
Drug stores		+ 4	− 24
Eating and drinking places		+ 27	− 2
Filling stations		+ 4	− 4
Florists		− 16	− 49
Food stores		+ 3	− 5
Furniture and household appliance stores		− 26	− 49
Lumber, building material, and hardware stores		+ 3	+ 9
Office, store, and school supply dealers		+ 15	+ 26
Postal receipts	$ 476,423	+ 7	− 29
Building permits	$ 3,089,596	− 72	+ 54
Bank debits (000's)	$ 375,918	− 1	− 4
End-of-month deposits (000's)*	$ 387,908	+ 10	x
Annual rate of deposit turnover	11.6	− 8	− 4
Placements in employment	2,819	+ 5	− 1
Nonagricultural civilian labor force	196,550	+ 2	− 2
Unemployment	8,250	+106	+ 10
Percent of labor force unemployed	4.2	+ 75	+ 14
Air express shipments	2,316	− 25	− 30
TAYLOR: (pop. 9,071)			
Postal receipts	$ 7,733	+ 23	− 31
Building permits	$ 61,294	− 32	− 50
Bank debits (000's)	$ 12,048	− 12	− 7
End-of-month deposits (000's)*	$ 13,724	+ 5	− 6
Annual rate of deposit turnover	10.2	− 12	− 6
Placements in employment	87	+ 23	− 49
TEMPLE: (pop. 25,467)			
Retail sales		x	− 29
Department and apparel stores		− 12	− 60
Postal receipts	$ 24,075	+ 17	− 27
Building permits	$ 261,053	− 85	+140
Bank debits (000's)	$ 17,180	− 6	x
End-of-month deposits (000's)*	$ 22,028	− 3	− 9
Annual rate of deposit turnover	8.9	− 1	+ 3
Placements in employment	307	− 1	+ 42
Air express shipments	45	− 12	− 15
TERRELL: (pop. 11,544)			
Bank debits (000's)	$ 4,644	− 14	− 9
End-of-month deposits (000's)*	$ 8,433	+ 3	− 2
Annual rate of deposit turnover	6.6	− 14	− 8
Placements in employment	73	+ 28	− 11
TEXARKANA: (pop. 40,628)‡			
Department and apparel store sales‡		+ 1	− 53
Postal receipts‡	$ 61,218	+ 23	− 5
Building permits‡	$ 78,466	− 23	+ 64
Bank debits (000's)‡	$ 37,724	+ 16	− 1
End-of-month deposits (000's)*	$ 24,736	+ 3	− 3
Annual rate of deposit turnover	10.1	+ 13	+ 4
Placements in employment	920	− 22	+ 12
Nonagricultural civilian labor force	42,150	+ 13	x
Unemployment	2,800	− 7	+ 6
Percent of labor force unemployed	6.6	− 18	+ 5
Air express shipments‡	79	− 16	− 44

For explanation of symbols, see p. 23.

LOCAL BUSINESS CONDITIONS

City and item	Jan 1952	Percent change Jan 1952 from Jan 1951	Percent change Jan 1952 from Dec 1951
TEXAS CITY: (pop. 16,620)			
Postal receipts	$ 13,912	+ 40	— 26
Building permits	$ 305,836	— 24	+274
Bank debits (000's)	$ 22,426	+ 37	— 15
End-of-month deposits (000's)*	$ 21,144	+ 23	— 18
Annual rate of deposit turnover	11.4	— 10	— 15
Placements in employment (area)	929	+ 59	+ 4
Nonagricultural civilian labor force (area)	51,100	+ 5	x
Unemployment (area)	1,700	— 11	+ 3
Percent of labor force unemployed (area)	3.3	— 15	+ 3
WACO: (pop. 84,706)			
Retail sales		— 24	— 37
Apparel stores		+ 7	— 39
Automotive stores		— 38	— 28
Department store sales†		— 2	— 58
Florists		+ 18	— 43
Furniture and household appliance stores		— 36	— 48
Lumber, building material, and hardware stores		— 56	— 4
Office, store, and school supply dealers		+ 7	+ 6
Postal receipts	$ 101,594	+ 26	— 28
Building permits	$ 1,150,425	— 22	+ 25
Bank debits (000's)	$ 72,462	+ 3	— 5
End-of-month deposits (000's)*	$ 89,385	+ 12	— 4
Annual rate of deposit turnover	9.6	— 7	— 2
Placements in employment	718	+ 18	— 12
Nonagricultural civilian labor force	44,350	+ 1	— 3
Unemployment	1,600	0	+ 33
Percent of labor force unemployed	3.6	0	+ 38
Air express shipments	199	0	— 22

City and item	Jan 1952	Percent change Jan 1952 from Jan 1951	Percent change Jan 1952 from Dec 1951
TYLER: (pop. 38,968)			
Retail sales		— 16	— 28
Department and apparel stores		+ 10	— 54
Postal receipts	$ 50,745	+ 19	— 23
Building permits	$ 214,890	— 50	— 27
Bank debits (000's)	$ 56,738	+ 3	+ 7
End-of-month deposits (000's)*	$ 53,455	+ 5	— 5
Annual rate of deposit turnover	12.4	— 2	+ 7
Placements in employment	310	— 38	+ 3
Air express shipments	195	+ 14	— 47
VICTORIA: (pop. 16,136)			
Department and apparel store sales		+ 12	— 53
Postal receipts	$ 17,291	+ 29	— 30
Placements in employment	222	+ 11	— 11
Air express shipments	46	— 2	— 51
WICHITA FALLS: (pop. 68,042)			
Retail sales		— 5	— 18
Department and apparel stores		x	— 41
Postal receipts	$ 96,352	+ 16	— 19
Building permits	$ 1,246,160	+193	+478
Bank debits (000's)	$ 90,043	+ 16	+ 3
End-of-month deposits (000's)*	$ 106,101	+ 10	— 3
Annual rate of deposit turnover	10.1	+ 6	+ 3
Placements in employment	804	+ 14	+ 6
Nonagricultural civilian labor force	41,525	+ 5	— 1
Unemployment	1,275	+ 24	+ 42
Percent of labor force unemployed	3.1	+ 19	+ 48
Air express shipments	192	— 39	— 53

xChange is less than one half of one percent.

*Excludes deposits to credit of banks.

†Reported by the Federal Reserve Board of Dallas.

‡Figures include Texarkana, Arkansas (pop. 15,875) and Texarkana, Texas (pop. 24,753).

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BAROMETERS OF TEXAS BUSINESS

	Jan 1952	Dec 1951	Nov 1951	Oct 1951	Jan 1951
GENERAL BUSINESS ACTIVITY					
†**Index of Texas Business Activity (100.0)**	260	256	258	257	261
Index of bank debits in Texas cities	648	622	666	625	617
Income payments to individuals in the U. S. (billions—seasonally adjusted at annual rate)	.....	257.1	256.5	257.5	243.6
Index of wholesale prices in the U.S. (1926=100, unadjusted)	177.3	177.8	178.3	178.1	180.1
Index of consumers' prices in Houston (unadjusted)	195.4	196.0	195.1	194.4	190.1
Index of consumers' prices in the U.S. (unadjusted)	189.1	189.1	188.6	187.4	181.5
Index of postal receipts in Texas cities	366	345	375	357	316
†Index of miscellaneous freight carloadings in the Southwestern District (17.6)	152	138	147	155	153
Business corporation charters issued (number)	208	273	229	219	235
Business failures (number)	8	6	4	9	8
TRADE					
†Index of total retail sales (adjusted for price changes, 47.7)	225‡	225	224	221	257
Index of total retail sales in Texas	474	475	471	462	251
Durable-goods stores	631	651	646	641	778
Nondurable-goods stores	397	389	387	376	398
Index of total retail sales in the U.S.	.....	382	388	389	422
Durable-goods stores	.....	495	509	529	650
Nondurable-goods stores	.....	346	348	344	348
Ratio of credit sales to net sales in department and apparel stores	60.4	59.8	64.7	66.4	63.7
Ratio of collections to outstandings in department and apparel stores	46.5	44.8	46.3	45.9	48.6
Index of gasoline sales	.....	256	245	267	261
PRODUCTION					
†Index of industrial electric power consumption (14.6)	510	507	504	499	399
†Index of crude runs to stills (4.5)	209	193	204	200	200
Index of wheat grindings	98	88	121	118	116
Index of cottonseed crushed	128	115	117	123	97
Index of southern pine production	.....	626	695	728	732
Index of dairy product manufacturing	66	51	56	67	59
†Index of urban building permits (adjusted for price changes, 3.8)	164‡	126	145	157	313
Index of urban building permits	339	262	298	325	636
†Index of crude petroleum production (8.6)	221	231	231	228	209
Index of natural gas production	.....	542	529	532	389
†Index of total electric power consumption (3.0)	527	529	526	543	440
Index of industrial production in the U.S.	218‡	218	219	218	221
Index of cement production	.....	297	319	310	303
Construction contracts awarded (thousands)	$ 68,579	$ 83,201	$ 57,091	$ 61,330	$ 97,848
AGRICULTURE					
Index of farm cash income	340	541	947	960	319
Index of prices received by farmers (unadjusted)	355	365	366	349	380
Index of prices paid by farmers in the U.S. (parity index—unadjusted, 1910=100)	287	284	284	283	272
Parity ratio for Texas	124	129	129	123	153
Index of prices received by farmers—livestock (unadjusted)	406	418	419	434	445
Index of prices received by farmers—all crops (unadjusted)	317	326	326	286	331
FINANCE					
Loans, reporting member banks in Dallas district (millions)	$ 1,548	$ 1,531	$ 1,518	$ 1,482	$ 1,488
Loans and investments, reporting member banks in Dallas district (millions)	$ 2,898	$ 2,897	$ 2,939	$ 2,847	$ 2,717
Demand deposits adjusted, reporting member banks in Dallas district (millions)	$ 2,386	$ 2,313	$ 2,311	$ 2,255	$ 2,250
Bank debits in 20 cities (millions)	$ 5,556	$ 5,787	$ 5,316	$ 5,164	$ 5,288
Revenue receipts of the State Comptroller (thousands)	$ 56,719	$ 42,313	$ 73,344	$ 60,304	$ 52,464
Federal Internal Revenue collections (thousands)	$238,908	$108,556	$119,035	$102,093	$212,063
LABOR					
Total manufacturing employment (thousands)	411.5	414.0	411.6	409.6	378.3
Durable-goods employment (thousands)	195.8	197.5	197.5	195.7	168.2
Nondurable-goods employment	215.7	216.5	214.1	213.9	210.1
Nonagricultural civilian labor force in 17 labor market areas (thousands)	1,505‡	1,586	1,569	1,558	1,471
Unemployment in 17 labor market areas	52,150‡	43,960	45,610	42,775	51,495
Placements in 17 labor market areas	31,871	30,876	34,243	43,613	31,189
Percent of labor force unemployed	3.5‡	2.8	2.9	2.7	3.5

All figures are for Texas unless otherwise indicated. All indexes are based on the average months for 1935–39 except where indicated and are adjusted for seasonal variation (except annual indexes).

Manufacturing employment estimates have been adjusted to first quarter 1951 benchmarks.

†The index of business activity is a weighted average of the indexes indicated by a dagger (†). The weight given each index in computing the composite is given in parentheses.

‡Preliminary.